

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 359

March 1, 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 1st day of March, 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; Neil Daniels of the Shadowlake Homeowners Association ("Shadowlake HOA"); Glenn Woodson of Storm Maintenance and Monitoring ("Storm Maintenance"); Matt Carpenter of IDS Engineering Group ("IDS"); Ray Arce and Lizandro Campos of Wheeler & Associates, Inc.; Darrell Hawthorne of Municipal Accounts & Consulting, L.P.; and Tim Austin and Cheryl Panozzo of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

Mr. Persson inquired about the berm repair and related soil evaluation. He then inquired about possible compensation due to the District from Harris County Flood Control and from the City of Houston (the "City").

PRESIDENT'S COMMENTS

Director Keys discussed concrete that was dumped into the lake by a District resident. She reported on the City's Capital Improvement Plan meeting that she attended.

APPROVAL OF THE MINUTES

The Board considered approving the minutes of the February 1, 2017, regular meeting, and February 16, 2017, special meeting. Upon a motion made by Director Keller and seconded by Director Elatassi, the Board voted unanimously to approve both sets of minutes as presented.

## SECURITY IN THE DISTRICT

The Board discussed security in the District.

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

Mr. Austin updated the Board on communications with the City staff regarding the Second Amendment to Utility and Functions and Services Allocation Agreement (the "Agreement").

## RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a proposal from HARCO for the renewal of District's insurance policies. Following review and discussion, Director Keller moved to approve the proposal presented by HARCO for the renewal of the insurance policies and direct that the proposal 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 Rathgeber 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 94.79% of the District's 2016 taxes were collected as of the end of February 28, 2017. After review and discussion, Director Elatassi moved to approve the tax report and payment of the invoices. The motion was seconded by Director Keller and carried unanimously.

Mr. Arce reviewed a list of uncollectible accounts and recommended that seven accounts totaling \$131.80 be written off the District's accounts receivable ledger as uncollectible. After review and discussion, Director Lavin moved to authorize the tax assessor/collector to write off seven accounts totaling \$131.80 as uncollectible. Director Keller seconded the motion, which carried unanimously.

## RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Arce reviewed a Preliminary Exemption Adoption Report prepared by Wheeler & Associates, Inc., a copy of which is attached. Mr. Austin reviewed a

Resolution Concerning Exemptions from Taxation. After review and discussion, Director Lavin moved to adopt the Resolution Concerning Exemptions from Taxation reflecting a provision for a \$3,000 exemption for persons who are over 65 or disabled and rejected any other exemptions for residential homesteads and travel trailers from ad valorem taxation, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Rathgeber seconded the motion, which passed by unanimous vote.

#### 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 stated he anticipates construction of the berm repair will commence next week.

Mr. Carpenter discussed a request from a District resident to convert the dry bottom basin to a wet bottom basin and stated that the estimated cost for IDS to perform this analysis is \$23,000. Mr. Carpenter noted the estimated cost to engage a geotechnical engineer to analyze soil conditions of the dry bottom basin and make recommendations is \$8,500. Following discussion, the Board concurred to further discuss alternative solution to the dry bottom basin next month.

#### SURVEY OF DISTRICT PROPERTY

Director Keller stated the District property topographical survey will be complete in four weeks.

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

The Board reviewed four proposals to install a security fence with gate and mechanical lock (the "Fence") at the northern section of the lake, copies of which are attached. Following review and discussion, Director Lavin moved to (1) authorize ABHR to prepare a Services Agreement with National Fence Company for Board review and approval next month; and (2) authorize IDS to conduct a survey for the Fence location. Director Elatassi seconded the motion, which passed by majority vote with Directors Keys and Rathgeber opposed.

#### UPDATE ON BRAYS BAYOU TRAIL

Directors Keys and Keller updated the Board on the Brays Bayou Trail.

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.

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

The Board discussed the preparation of the master park plan (the "Plan") and Ms. Talley's presentation at the last Board meeting. Director Keller discussed accessing the proposed connector trail included in the Plan from private neighborhood streets. Following discussion, Director Keller moved to authorize ABHR to review the plat of the District Storm Water Utility Easements and determine the rights granted to the District under the Easements. Director Elatassi seconded the motion, which passed by unanimous vote.

DIRECTOR COMMUNICATIONS CONDUCTED OUTSIDE OF BOARD MEETINGS AND CORRESPONDENCE REGARDING COMMUNICATIONS WITH PUBLIC ENTITIES

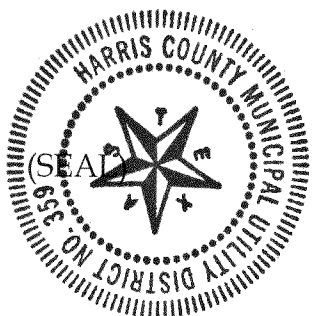
Director Keller discussed correspondence between directors conducted outside of Board meetings.

The Board discussed communications with public entities related to a resident of the District.

DISCUSS APRIL AGENDA ITEMS

The Board discussed items for placement on the April agenda.

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



  
Secretary, Board of Directors

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