

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 359

April 5, 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 5th day of April, 2017, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, 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, except Director Elatassi, thus constituting a quorum.

Also present at the meeting were Tor Persson, Bob Smith, and George Zicterman, residents of the District; Neil Daniels, Kathy Kaufman, and Mike Berry 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 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").

PUBLIC COMMENT

Mr. Persson inquired about the status of the berm repair.

The Board discussed past exclusions related to the tract of land the apartment complex is on.

Mr. Zicterman commented on the proposed security fence along Shadowlake and distributed a letter, a copy of which is attached.

Mr. Daniels commented on the possibility of a survey related to the proposed security fence.

PRESIDENT'S COMMENTS

Director Keys discussed removing the security item from agenda.

## APPROVAL OF THE MINUTES

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

## ENGINEERING MATTERS

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

Mr. Carpenter reviewed proposals for the berm repair with the Board. After review and discussion, the Board authorized IDS to meet with Tolunay-Wong Engineers, Inc. and Storm Maintenance to further discuss the proposal submitted by Tolunay-Wong Engineers, Inc.

## SECURITY IN THE DISTRICT

The Board took no action on this agenda item.

## 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").

## ADOPT RESOLUTION ESTABLISHING CRITERIA FOR SURETIES ISSUING PAYMENT AND PERFORMANCE BONDS

Mr. Austin stated that the District is authorized by Section 49.271(c) of the Texas Water Code to establish minimum criteria for acceptability of a surety company issuing payment and performance bonds in connection with construction of District facilities. The Board then reviewed a Resolution Establishing Criteria for Sureties Issuing Payment and Performance Bonds reflecting the District requirements that a surety (1) be certified to do business in the State of Texas; (2) be certified by the State Board of Insurance to issue payment and performance bonds in the contract amount; and (3) have a minimum rating of B+ in the Best Key Rating Guide. After review and discussion, Director Lavin moved to adopt the Resolution Establishing Criteria for Sureties Issuing Payment and Performance Bonds and direct that the Resolution be filed appropriately and retained in the District's official records. Director Keller seconded the motion, which carried unanimously.

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 Keller 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 96.9% of the District's 2016 taxes were collected as of the end of March 31, 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.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board concurred to remove this item from the agenda.

SURVEY OF DISTRICT PROPERTY

The Board discussed the survey of District property. Mr. Carpenter stated that IDS had placed stakes along the District property.

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

The Board discussed the status of the fence construction and concurred to put the project on hold until the May Board Meeting.

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.

Mr. Austin discussed the plat of the District storm water utility easement with the Board. He stated that the rights to use the easements will depend on the specific grant of rights in that easement. Mr. Austin stated that he will make that information known to Ms. Talley, per the Board's request.

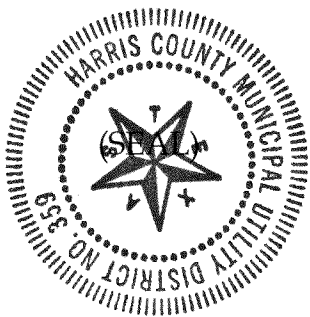
ALTERNATIVE SOURCE OF WATER FOR SHADOWLAKE

The Board discussed alternative sources of which entity would provide water to fill Shadowlake in the future.

DISCUSS MAY AGENDA ITEMS

The Board discussed items for placement on the May agenda.

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



  
Secretary, Board of Directors

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