

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 359

August 2, 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 2nd day of August, 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 Glenn Woodson of Storm Maintenance and Monitoring; Greg Sissel of BKD, LLP ("BKD"); Neil Daniels, Kathy Kaufman, and Mike Berry of Shadowlake Homeowners Association ("Shadowlake HOA"); Matt Carpenter of IDS Engineering Group ("IDS"); Lizandro Campos of Wheeler & Associates, Inc.; Darrell Hawthorne of Municipal Accounts & Consulting, L.P.; Tor Persson, Vickie May, and Maurice Brown, residents of the District; and Tim Austin and Alyssa Ollwerther of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

Mr. Persson commented on outstanding bond information and garbage collection in the District.

Ms. Kaufman discussed several projects that the Shadowlake HOA has requested financial assistance from the District.

Mr. Berry inquired about the security fence installation and location.

Ms. May discussed the Shadowlake HOA assessment fees.

PRESIDENT'S COMMENTS

Director Keys discussed the commercial properties contributing towards the taxable roll in the District.

APPROVAL OF THE MINUTES

The Board considered approving the minutes of the July 5, 2017, regular meeting. Upon a motion made by Director Keller and seconded by Director Elatassi, 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 updated the Board on the status of the berm repair.

The Board discussed alternative water source evaluation and Mr. Carpenter responded to questions from the Board.

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 OF HOUSTON REGARDING THE UTILITY AND FUNCTIONS AND SERVICES ALLOCATION AGREEMENT

Mr. Austin distributed and reviewed a revised Second Amendment to Utility and Functions and Services Allocation Agreement. After review and discussion, Director Lavin moved to approve and authorize execution of the Second Amendment to Utility and Functions and Services Allocation Agreement, subject to final review by Director Keller. Director Rathgeber seconded the motion, which passed by unanimous vote.

REQUEST FROM SHADOWLAKE HOMEOWNER'S ASSOCIATION FOR FUNDING FOR SURVEILLANCE CAMERAS IN THE DISTRICT

The Board tabled any action on this agenda item.

AUDIT FOR FISCAL YEAR END AUGUST 31, 2017

Mr. Sissel reviewed BKD's proposal to prepare the audit for the fiscal year ending August 31, 2017, for an estimated fee of \$14,000, including expenses. After review and discussion, Director Lavin moved to authorize BKD to prepare the audit for the fiscal year ending August 31, 2017. The motion was seconded by Director Rathgeber and 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 Rathgeber seconded the motion, which passed by unanimous vote.

BUDGET FOR THE FISCAL YEAR END AUGUST 31, 2018

Mr. Hawthorne reviewed the proposed budget for the fiscal year ending August 31, 2018, a copy of which is attached. After review and discussion, and upon a motion by Director Lavin and a second by Director Keller, the Board voted unanimously to adopt the budget.

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 98.463% of the District's 2016 taxes were collected as of the end of July, 2017. After review and discussion, Director Keller moved to approve the tax report and payment of the invoices. The motion was seconded by Director Lavin and carried unanimously.

DISCUSS 2017 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board tabled any action on this agenda item until the September meeting.

UPDATE ON BRAYS BAYOU TRAIL

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

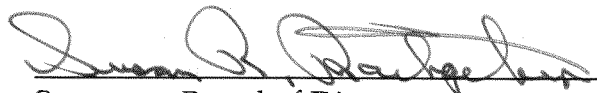
STATUS OF PREPARATION OF A PARK MASTER PLAN BY TALLEY LANDSCAPE ARCHITECTS, INC.

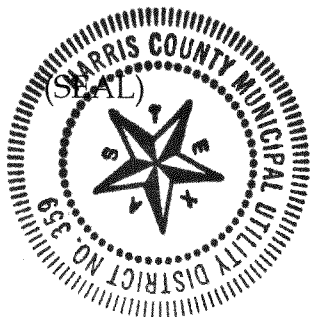
The Board discussed the preparation of the master park plan and concurred to schedule a special meeting with Merrie Talley on August 30, 2017, at 12:30 p.m.

DISCUSS SEPTEMBER AGENDA ITEMS

The Board discussed items for placement on the September agenda.

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


Secretary, Board of Directors



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