

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 359

October 19, 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 19th day of October, 2017, at the Church at the Cross, 3835 S. Dairy Ashford Street, Houston, Texas, 77082, inside 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 Rathgeber, thus constituting a quorum.

Also present at the meeting were Tor Persson and Kevin Kaufman, residents of the District; Debbie Shelton of FirstSouthwest, a Division of Hilltop Securities; Glenn Woodson of Storm Maintenance and Monitoring; Kathy Kaufman and Neil Daniels of Shadowlake Homeowners Association ("Shadowlake HOA"); Chad Abram 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 possible ways to attempt to mitigate future weather events in the District.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Arce noted that Wheeler & Associates, Inc. published a Notice of Public Hearing stating that the District anticipates levying a total tax rate of \$0.17 per \$100 of assessed valuation at this meeting.

Director Keys then opened the public hearing. Members of the public came forward to make comments regarding the proposed levy. After all persons wishing to speak were heard, Director Keys then closed the public hearing.

Discussion ensued regarding the 2017 tax rate. After discussion, the Board concurred to table any action on this agenda item until Ms. Shelton or Mr. Austin receive further information from the City of Houston regarding the annual payment pursuant to the District's Second Amendment to the Utility and Functions and Services Allocation Agreement.

APPROVAL OF THE MINUTES

The Board considered approving the minutes of the September 20, 2017, regular meeting. Upon a motion made by Director Keller and seconded by Director Lavin, the Board voted unanimously to approve the minutes as presented.

ENGINEERING MATTERS

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

Mr. Abrams updated the Board on the status of the berm repair.

Director Keller requested IDS obtain a proposal to analyze Shadowlake with regards to the status of erosion around the lake.

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 OF HOUSTON (THE "CITY") REGARDING THE UTILITY AND FUNCTIONS AND SERVICES ALLOCATION AGREEMENT

There was no discussion regarding this agenda item.

LETTER AGREEMENT SHADOWLAKE HOMEOWNER'S ASSOCIATION ("SHADOWLAKE HOA")

Mr. Austin reviewed a letter agreement between the District and the Shadowlake HOA, reflecting that the District will contribute \$60,000 for additional security provided by S.E.A.L. Security Solutions LLC for the term of one year. After review and discussion, Director Lavin moved to approve and authorize execution of the letter agreement with the Shadowlake HOA and direct that the letter agreement be filed

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

Mr. Austin reviewed a letter agreement between the District and the Shadowlake HOA, reflecting that the District will contribute \$60,000 for the collection of garbage for the term of one year. After review and discussion, Director Lavin moved to approve and authorize execution of the letter agreement with the Shadowlake HOA and direct that the letter agreement 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 98.68% of the District's 2016 taxes were collected as of the end of September, 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.

UPDATE ON BRAYS BAYOU TRAIL

There was no discussion regarding this agenda item.


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

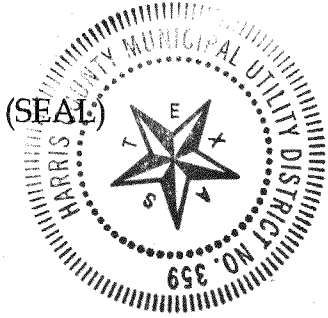
There was no discussion regarding this agenda item.

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 November 1, 2017, at the offices of ABHR.

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


Secretary, Board of Directors



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