

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 359

November 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 November, 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 Debbie Shelton of FirstSouthwest, a Division of Hilltop Securities; Kathy Kaufman, Neil Daniels, 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.; and Tim Austin and Alyssa Ollwerther of Allen Boone Humphries Robinson LLP ("ABHR").

PRESIDENT'S COMMENTS

Director Keys discussed possible ways that the Shadowlake HOA can attempt to mitigate flood damage in the District and requested Board input as to whether or not the District would like to be involved with a letter to the Houston Parks Board ("HPB") and Harris County Flood Control related to flood mitigation. The Board concurred to review a letter to HPB at the next meeting.

APPROVAL OF THE MINUTES

The Board considered approving the minutes of the October 19, 2017, regular meeting. Upon a motion made by Director Lavin 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 updated the Board on the status of the berm repair. He stated that the project is on hold due to groundwater conditions. He added that the contractor

plans to perform a couple of tests in the next three to four weeks to evaluate the groundwater conditions.

Mr. Carpenter stated that he contacted Koehl Urban Forestry and Storm Water Solutions to provide proposals related to repairing erosion around Shadow Lake. After discussion, Director Keller moved to authorize IDS to request formal proposals from Koehl Urban Forestry and Storm Water Solutions. Director Elatassi seconded the motion, which carried unanimously.

Mr. Carpenter stated that IDS does not believe that a fence can be installed across the outfall channel.

#### REVIEW STATUS OF DETENTION POND MAINTENANCE AND MOWING

The Board reviewed a report on the detention pond maintenance and mowing submitted by Storm Maintenance and Monitoring, a copy of which is attached.

#### UPDATE ON INSTALLATION OF FENCE ALONG SHADOWLAKE

Director Elatassi updated the Board on the status of fence construction along Shadowlake. No action was taken.

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

Mr. Austin stated that he had not received any updates from the City.

#### 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. Campos presented and reviewed the District's monthly tax report and delinquent tax roll, a copy of which is attached, reflecting that 2% of the District's 2017 taxes were collected as of the end of October, 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.

ADOPT ORDER LEVYING TAXES AND AMENDMENT TO INFORMATION FORM

The Board discussed the proposed tax rate of \$0.17, as published. The Board next discussed a proposed tax rate of \$0.16.

Mr. Austin presented to the Board an Order Levying Taxes for 2017 reflecting a total tax rate of \$0.16 per \$100 of assessed valuation, comprised of \$0.11 for debt service and \$0.05 for operations and maintenance. Mr. Austin next presented to the Board an Amendment to Information Form reflecting the 2017 tax rate. After review and discussion, Director Lavin moved to adopt the Order Levying Taxes as presented, approve and authorize execution of the Amendment to Information Form, and direct that the Order and the Amendment be filed appropriately and retained in the District's official records. Director Elatassi seconded the motion, which passed with Directors Elatassi, Lavin, Keller, and Keys voting "aye" and Director Rathgeber voting "nay." The Board confirmed its intention that the 2017 tax levy includes a debt service component for the calendar year ending December 31, 2018, and a maintenance tax component for the fiscal year ending August 31, 2018.

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 December 6, 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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