

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 359

September 4, 2019

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 4<sup>th</sup> day of September, 2019, 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                |
| Neil Daniels  | Vice President           |
| David Keller  | Secretary                |
| Rusk Elatassi | Assistant Vice President |
| Mike Berry    | Assistant Secretary      |

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Blake Grappe of UretekI; Kathy Kaufman, representing the Shadowlake Homeowners Association ("Shadowlake HOA"); Tor Persson, resident of the District; Matt Carpenter and Kayla Williams of IDS Engineering Group ("IDS"); Darce' Ahlschlager of Wheeler & Associates, Inc.; Debbie Shelton of Masterson Advisors; Darrell Hawthorne of Municipal Accounts & Consulting, L.P.; and Tim Austin, Abby Derrickson, and Alyssa Ollwerther of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

Mr. Persson commented on the repairs of the berm in the District and the water level of Shadowlake.

The Board reviewed a written comment submitted by Mr. Chavanelle the budget for fiscal year end August 31, 2020, and the potential contributions to the Shadowlake HOA.

PRESIDENT'S COMMENTS

There we no comments from the President.

APPROVAL OF THE MINUTES

The Board considered approving the minutes of the August 7, 2019, regular meeting. Upon a motion made by Director Berry and seconded by Director Daniels, the Board voted unanimously to approve the minutes as revised.

## ENGINEERING MATTERS

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

Discussion ensued regarding the berm repairs and the injections made by Uretek between weirs 3 and 4, rather than between weirs 2 and 3, as approved by the Board. Mr. Carpenter stated that the contract was for a total number of linear feet, and he was tasked with working with the contractor to determine the best placement of the injections, rather than rather than specifically named weirs. He stated that the District's contract with Uretek was for 575 linear feet and then an additional 100 linear feet were added. He reported that the final length of repair made was 588 linear feet, between weirs 2 and 3 (154 feet) and weirs 3 and 4 (434 feet), as recommended by Uretek. Discussion ensued regarding the authority of the engineer to use discretion as described. Mr. Carpenter then reviewed and recommended approval of Pay Estimate No. 1, in the amount of \$137,333.90. After review and discussion, Director Daniels moved to approve Pay Estimate No. 1, in the amount of \$137,333.90, payable to Uretek. Director Berry seconded the motion, which carried unanimously.

Mr. Carpenter requested authorization for IDS to work with Harris County Toll Road Authority ("HCTRA") to enter into an agreement with HCTRA for the maintenance and mowing of the ten foot easement along the toll road. After discussion, the Board authorized IDS to work with HCTRA to prepare a maintenance agreement as discussed.

## REVIEW STATUS OF DETENTION POND MAINTENANCE AND MOWING

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

## 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, a copy of which is 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 Berry seconded the motion, which passed by unanimous vote.

## LETTER AGREEMENT(S) WITH SHADOWLAKE HOA

The Board discussed the possibility of entering into letter agreement with the Shadowlake HOA, to make a one-time contribution to the Shadowlake HOA for the collection of garbage for the term of one year and security services in the District. Ms. Kaufman reviewed projects that the Shadowlake HOA would be able to finance with the contribution the District is making to the Shadowlake HOA. After discussion, Director Keller moved to approve and authorize execution of letter agreement with the

Shadowlake HOA, to make a one-time contribution to the Shadowlake HOA for the collection of garbage for the term of one year and security services in the District. Director Daniels seconded the motion, which carried unanimously.

#### CITY OF HOUSTON (THE "CITY") REBATE

Director Keller updated the Board regarding the City rebate for water and sewer service.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Ahlschlager presented and reviewed the District's monthly tax report and delinquent tax roll, a copy of which is attached, reflecting that 98.73% of the District's 2018 taxes were collected as of the end of August 2019. After review and discussion, Director Elatassi moved to approve the tax report and payment of the invoices. The motion was seconded by Director Daniels and carried unanimously.

#### 2019 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board discussed the District's 2019 tax rate. Ms. Shelton reviewed a tax rate analysis, a copy of which is attached. She recommended the Board consider levying \$0.08 per \$100 of assessed valuation for debt service. The Board discussed setting a \$0.065 maintenance and operations levy. Director Daniels noted that a rate of \$.065 for maintenance and operations would not supply enough revenue to cover the approved 2020 budget and that this rate could only be raised 3.5% per year going forward. After review and discussion, and upon a motion made by Director Elatassi and seconded by Director Keller, the Board moved to set a public hearing for adoption of a total tax rate of \$0.145 per \$100 of assessed valuation on October 16, 2019, at the offices of ABHR, 3200 Southwest Freeway, Suite 2600, Houston, Texas, 77027, and to authorize the tax assessor/collector to publish notice of the hearing regarding adoption of the \$0.145 total tax rate, consisting of a \$0.08 debt service tax rate and a \$0.065 operation and maintenance tax rate. The motion carried with Directors Berry, Keller, and Elatassi voting "yea" and Directors Keys and Daniels voting "nay."

#### UPDATE ON BRAYS BAYOU TRAIL

Director Keys discussed the status of the Brays Bayou Trail, including communications that the Shadowlake HOA has had with the Houston Parks Board.

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

There was no discussion on this agenda item.

MEETING SCHEDULE AND ITEMS FOR THE NEXT BOARD MEETING

The Board discussed items for the next Board meeting and concurred to hold its next regular meeting on October 16, 2019, at 12:30 p.m., at ABHR.

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

  
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Secretary, Board of Directors



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