

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 359

January 3, 2018

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 3rd day of January, 2018, 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 except Director Elatassi, thus constituting a quorum.

Also present at the meeting were Tor Persson, resident of the District; Glenn Woodson of Storm Maintenance and Monitoring; 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 reported sightings of nutria in the District. Discussion ensued.

APPROVAL OF THE MINUTES

The Board considered approving the minutes of the December 6, 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.

2018 DIRECTORS ELECTION

Mr. Austin discussed procedures related to the 2018 Directors Election. He reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors during the 2018 Directors Election Period. Following review and discussion, Director Lavin moved to adopt a Resolution Designating an Agent of the Secretary of the Board During the 2018 Directors Election Period appointing Ms. Alyssa Ollwerther as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required, and direct

that the Resolution be filed appropriately and retained in the District's official records. Director Keys seconded the motion, which was approved by unanimous vote.

Mr. Austin reported on requirements to file a Notice of Deadline to File Applications for Place on the Ballot for the 2018 Directors Election. Following discussion, Director Lavin moved to authorize the Secretary's agent to post the notice as required. Director Keys seconded the motion, which was approved by unanimous vote.

Mr. Austin discussed exemptions from using electronic voting systems during the 2018 Directors Election. Following discussion, Director Lavin moved to authorize the Secretary's agent to publish Notice of Exemption in a newspaper of general circulation, if the number of voters from the 2016 election was less than 250. Director Keys seconded the motion, which was approved by unanimous vote.

Mr. Austin said that since the County will not administer the District's 2018 Directors Election, the Board will need to set the pay for the District's election officials. Following discussion, Director Lavin made a motion to set the pay for the election officials at \$15.00 per hour and for the Election Judge to be \$20.00 per hour for the 2018 Directors Election. Director Keys seconded the motion, which carried unanimously.

#### 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. The Board requested that IDS prepare and present alternative solutions for the berm repair.

Mr. Carpenter updated the Board on the status of the erosion repair of the storm water detention facility and stated that Storm Water Solutions has made an initial inspection and plans to provide some alternatives and pricing for the next Board meeting.

Mr. Carpenter stated that IDS made a request to Harris County Flood Control Department ("HCFCD") regarding the extension of the fence across the outfall channel. He reported that he has not received a response from HCFCD.

#### UPDATE ON INSTALLATION OF FENCE ALONG SHADOWLAKE

The Board noted that the installation of the fence along Shadowlake is complete, except for the portion that needs approval from HCFCD as discussed under the engineer's report.

#### 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 (THE "AGREEMENT")

Mr. Austin updated the Board on correspondence from the City and confirmed that the Agreement was approved by the City in December.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Austin reported on the District's compliance activities during the prior calendar year related to bond financings. He stated that no corrective action is required at this time.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Mr. Austin reported the District's insurance policies are due to expire on March 3, 2018, and requested the Board's direction on whether to solicit new proposals in addition to requesting the District's current insurance agent, HARCO Insurance Services ("HARCO"), obtain a renewal proposal from the Texas Municipal League ("TML"). Following discussion, Director Keller moved to authorize ABHR to obtain a renewal proposal from TML. Director Lavin seconded the motion, which passed by unanimous vote. Director Keller requested that HARCO provide information regarding the insurance policies and prices for the last five years to be included with the proposal for March 3, 2018.

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.

ACCEPT ANNUAL DISCLOSURE STATEMENTS

Mr. Austin stated that in accordance with the District's Investment Policy, Mr. Darrell Hawthorne as the District's bookkeeper and Mr. Tom Burton and Ms. Ghia Lewis as the District's Investment Officers are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. He added that the Disclosure Statements will be filed with the Texas Ethics Commission. After review and discussion, Director Lavin moved to accept the Disclosure Statements pursuant to the District's Investment Policy and the Public Funds Investment Act and direct that the statement be filed appropriately and retained in the District's official records. Director Keller seconded the motion, which carried unanimously.

REVIEW, REVISE, AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Mr. Austin reviewed the District's Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. Mr. Austin stated that the District's bookkeeper has provided an updated list of broker/dealers for 2018. Following review and discussion, Director Keller moved to adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. Director Lavin 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 55.51% of the District's 2017 taxes were collected as of the end of December, 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.

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.

There was no discussion regarding this agenda item.

DISTRICT WEBSITE

The Board reviewed a proposal from Off Cinco for the creation of a District website. After discussion, the Board requested that Off Cinco attend and present at the February meeting.

PUBLIC COMMENT

Ms. Berry asked questions related to bookkeeping and tax.

Mr. Persson commented on a potential alternative solution for the berm repair and stated that he would forward his alternative to ABHR to forward to the Board and the engineer.

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 February 7, 2018, 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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