

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 359

February 7, 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 7th day of February, 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, thus constituting a quorum.

Also present at the meeting were Shannon Waugh of Off Cinco; Maurice Brown and Daniel Chavanelle, residents 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

The President did not have any comments.

APPROVAL OF THE MINUTES

The Board considered approving the minutes of the January 3, 2018, regular meeting. Upon a motion made by Director Elatassi and seconded by Director Rathgeber, the Board voted unanimously to approve the minutes as presented.

2018 DIRECTORS ELECTION

The Board considered adopting an Order Calling Directors Election for May 5, 2018 ("Order"). Upon a motion made by Director Lavin and a second by Director Elatassi, the Board voted unanimously to adopt the Order as presented.

Mr. Austin reported on requirements to post a Notice of Election if the District holds the 2018 Directors Election. Following discussion, Director Lavin moved to authorize the Secretary's agent to post the notice as required, if the District holds the

2018 Directors Election. Director Elatassi seconded the motion, which was approved by unanimous vote.

### DISTRICT WEBSITE

Ms. Waugh presented a proposal from Off Cinco for the creation of a District website. After review and discussion, Director Keys moved to approve and authorize execution of a Services Agreement with Off Cinco, including design of a standard layout for \$900 and a monthly maintenance fee of \$150, and direct that the Agreement be filed appropriately and retained in the District's official records. Director Elatassi 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. He reviewed and recommended approval of Change Order No. 1, decreasing the original contract amount by \$15,263.75, the cost of remobilization on three separate occasions due to the groundwater conditions and includes a reduction in the clay trench item quantity to the required amount for the District project. Mr. Carpenter also reviewed a proposal submitted by Uretek, to inject a geo-polymer into the berm to reduce the likelihood of leakage through the berm. The Board concurred not to take action on the proposal submitted by Uretek until further information is provided for the scope of work recommended by the engineer.

Mr. Carpenter updated the Board on the status of the erosion repair of the storm water detention facility stated that Storm Water Solutions noted that most of the side slopes are in good condition and that the slope erosion was most severe in the peninsulas that experience the most wave erosion.

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.

After review and discussion, Director Keller moved to (1) approve the engineering report; and (2) based on the recommendation of the engineer, approve Change Order No. 1, decreasing the original contract amount by \$15,263.75, submitted by Storm Maintenance and Monitoring, for the berm repair. Director Rathgeber seconded the motion, which carried unanimously.

### 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.

Mr. Woodson reviewed a proposal for hydro mulch clearing on the north side of Shadowlake and removal of net wire fence on the north end of the dry detention pond. After review and discussion, Director Keller moved to approve the proposal in the amount of \$4,125. Director Rathgeber seconded the motion, which carried unanimously.

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME WITH APPROPRIATE INFORMATION DEPOSITORIES IN ACCORDANCE WITH THE DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15C2-12

Mr. Austin reviewed the District's annual report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. He stated that the District is required to file certain financial and operating data with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System ("EMMA"). Following review and discussion, Director Keller moved to approve the annual report, authorize the attorney to submit the District's updated financial and operating data in compliance with the continuing disclosure provisions contained in the bond resolution through EMMA, and direct that the report be filed appropriately and retained in the District's official records. Director Lavin seconded the motion, which passed unanimously.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. Mr. Austin stated that no changes are required at this time.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT SUMMER CONFERENCE

The Board noted that no directors attended the AWBD winter conference and discussed attendance at the AWBD summer conference. After review and discussion, Director Keller moved to authorize all interested directors to attend the AWBD summer conference. Director Lavin seconded the motion, which carried by unanimous vote.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a proposal from HARCO Insurance Services ("HARCO") for the renewal of District's insurance policies. Following review and discussion, Director Keller moved to approve the proposal presented by HARCO for the renewal of the insurance policies and direct that the proposal be filed appropriately and retained in the District's official records. Director Rathgeber seconded the motion, which passed by unanimous vote.

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.

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 92.61% of the District's 2017 taxes were collected as of the end of January, 2018. After review and discussion, Director Lavin moved to approve the tax report and payment of the invoices. The motion was seconded by Director Keys 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.

The Board discussed conducting a survey of homeowners who share the storm water sewer easement regarding a voluntary donation of their land to allow a connector path from the streets to the bayou trail or connector trail along the drainage ditches. After discussion, the Board concurred to defer any action on this agenda item until the planning for the Master Park Plan is further along.

The Board discussed a request made by the Shadowlake HOA regarding aerial footage of Shadowlake. After discussion, the Board concurred to authorize Talley Landscape Architects, Inc., to release the aerial footage to the Shadowlake HOA.

ADOPT RESOLUTION ESTABLISHING OUT-OF-DISTRICT MEETING PLACE

No action was taken under this agenda item.

PUBLIC COMMENT


Mr. Daniels requested information on the status of the annual payment from the City of Houston.

Mr. Berry inquired about the status of the berm repair and leaking of Shadowlake.

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 March 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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