

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 359

June 6, 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 6<sup>th</sup> day of June, 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
Mike Berry	Director
Neil Daniels	Director
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 Olga Thompson and Peggy Daniels, residents of the District; Debbie Shelton of Masterson Advisors LLC; Amber Smith of Storm Maintenance and Monitoring ("Storm"); Mike Berry and Neil Daniels of Shadowlake Homeowners Association ("Shadowlake HOA"); Matt Carpenter of IDS Engineering Group ("IDS"); Rene Andel of Wheeler & Associates, Inc.; Darrell Hawthorne of Municipal Accounts & Consulting, L.P.; and Tim Austin, Alyssa Ollwerther, and Robyn German of Allen Boone Humphries Robinson LLP ("ABHR").

REORGANIZE BOARD OF DIRECTORS

The Board considered reorganizing the Board of Directors. Following discussion, Director Keller moved to reorganize the Board as follows:

David Keller	President
Marilyn Keys	Vice President
Rusk Elatassi	Secretary
Neil Daniels	Assistant Vice President
Mike Berry	Assistant Secretary

Director Elatassi seconded the motion. The motion failed, with three "nays" from Directors Keys, Daniels, and Berry and two "yays" from Directors Keller and Elatassi.

Following discussion, Director Keys moved to reorganize the Board as follows:

Marilyn Keys	President
Neil Daniels	Vice President
David Keller	Secretary
Rusk Elatassi	Assistant Vice President
Mike Berry	Assistant Secretary

Director Daniels seconded the motion which carried unanimously.

#### AUTHORIZE EXECUTION AND FILING OF DISTRICT REGISTRATION FORM

Mr. Austin stated the District is required to file an updated District Registration Form reflecting the new terms of office of the elected directors with the Texas Commission on Environmental Quality ("TCEQ"). After review and discussion, Director Keys moved to authorize execution and filing of an updated District Registration Form, reflecting the new terms of office. Director Daniels seconded the motion, which passed unanimously.

#### OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Mr. Austin reviewed a memorandum explaining the training requirements of the Texas Open Meetings Act and Public Information Act, noting that new directors are required to complete the Open Meetings Act training within 90 days.

#### CONFLICT OF INTEREST DISCLOSURE AND LIST OF LOCAL GOVERNMENT OFFICERS

Mr. Austin reviewed a Memorandum from ABHR regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code and disclosure forms adopted by the Texas Ethics Commission. He stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers. Mr. Austin reviewed the List of Local Government Officers. After review and discussion, Director Keys moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Keller seconded the motion, which passed by unanimous vote.

#### PRESIDENT'S COMMENTS

The President discussed the upcoming Association of Water Board Directors ("AWBD") summer conference.

### APPROVAL OF THE MINUTES

The Board considered approving the minutes of the May 2, 2018, regular meeting, and May 16, 2018, special meeting. Upon a motion made by Director Elatassi and seconded by Director Keys, the Board voted unanimously to approve both sets of minutes as presented.

### UPDATE ON DISTRICT WEBSITE

The Board discussed the District website. The Board requested that ABHR send Off Cinco additional District documents to be published on the website, including tax assessor/collector reports, audits, bookkeeping reports, agreements with the City of Houston (the "City"), and documents related to the creation of the District.

### 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 reviewed and recommended approval of Pay Estimate No. 2 and Final, in the amount of \$26,264.05, payable to Storm Maintenance & Monitoring.

After review and discussion, Director Elatassi moved to (1) approve the engineer's report; and (2) approve Pay Estimate No. 2 and Final, in the amount of \$26,264.05, payable to Storm Maintenance & Monitoring, for the berm repair. Director Daniels seconded the motion, which carried unanimously.

### REVIEW STATUS OF DETENTION POND MAINTENANCE AND MOWING

Ms. Smith reviewed a report on the detention pond maintenance and mowing, a copy of which is attached. After discussion, The Board directed Storm Maintenance & Monitoring to deliver the Big Foot Willow trees in September or October.

### 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 Keller moved to approve the bookkeeper's report, investment report, and payment of the bills listed in the report. Director Daniels seconded the motion, which passed by unanimous vote.

## CITY REBATE

Following discussion, The Board requested that Mr. Austin follow up with the City regarding delinquent accounts and the worksheet used by the City to calculate payments to the District for same.

## TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Andel presented and reviewed the District's monthly tax report and delinquent tax roll, a copy of which is attached, reflecting that 97.47% of the District's 2017 taxes were collected as of the end of May, 2018. After review and discussion, Director Keller moved to approve the tax report and payment of the invoices. The motion was seconded by Director Berry and carried unanimously.

## AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

The Board considered authorizing the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue Brandon"), to proceed with the collection of the 2017 delinquent tax accounts. After discussion, Director Berry moved to authorize Perdue Brandon to proceed with the collection of delinquent taxes. Director Keller seconded the motion, which passed by unanimous vote

## FINANCIAL ADVISOR SERVICES AGREEMENT MATTERS

Ms. Shelton stated she is no longer employed with Hilltop Securities, Inc. ("Hilltop") and requested the Board engage Masterson Advisors LLC ("Masterson") for its financial advisory services. She then presented a Financial Advisory Contract with Masterson. Following review and discussion, Director Keys moved to (1) authorize ABHR to execute a letter to Hilltop regarding termination of its financial advisory agreement with Hilltop; and (2) approve and authorize execution of the Financial Advisory Contract with Masterson. Director Daniels seconded the motion, which 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 on this agenda item.

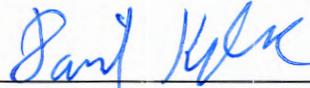
PUBLIC COMMENT

There were no public comments.

MEETING SCHEDULE AND ITEMS FOR THE NEXT BOARD MEETING

The Board discussed items for the next Board meeting and concurred to hold its regular meeting on July 13, 2018, at the offices of 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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