

MINUTES HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 359

September 6, 2023

The Board of Directors (the “Board”) of Harris County Municipal Utility District No. 359 (the “District”) met in regular session at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Blanco Conference Room, Houston, Texas 77027, outside the boundaries of the District, on the 6th day of September, 2023, and the roll was called of the members of the Board being present:

Neil Daniels	President
Marilyn Keys	Vice President
Hubert Pierre	Secretary
David Keller	Assistant Vice President
Mike Berry	Assistant Secretary

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

Also attending the meeting were: Debbie Shelton of Masterson Advisors; Peggy Daniels, resident of the District; Kathy Kaufman, representing the Shadowlake Homeowners Association (“HOA”) (via teleconference); Emma Highberger of Wheeler & Associates, Inc. (“Wheeler”); Matt Carpenter of IDS Engineering (“IDS”); Mary Ann Mihills of Municipal Accounts & Consulting, L.P.; and Andrew Vaughan and Alyssa Ollwerther of Allen Boone Humphries Robinson LLP (“ABHR”).

PUBLIC COMMENT

Ms. Kaufman provided a construction status update for the extension of the Brays Bayou Trail through the Shadowlake neighborhood (“Shadowlake Trail Project”) and noted that the lowest bid came in at an amount approximately \$30,000 more than the budgeted amount for the project, noting that the HOA is looking for cost-sharing partners to assist with the difference in project cost. Next, Ms. Kaufman provided information related to the projection of costs in connection with the subsidence district and pumpage. The Board determined to further discuss the first part of Ms. Kaufman’s comment during the engineering agenda item.

Mr. Vaughan discussed certain drought contingency matters implemented by the City of Houston (the “City”).

PRESIDENT’S COMMENTS

There were no comments from the President this month.

APPROVAL OF THE MINUTES

The Board considered approving the minutes of the August 2, 2023, regular meeting. Following review and discussion, Director Berry moved to approve the minutes as presented. Director Pierre seconded the motion. The motion carried with Directors Keys, Daniels, Pierre, and Berry voting “yay” and Director Keller abstaining.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Highberger presented and reviewed the District’s monthly tax report and delinquent tax roll, a copy of which is attached, reflecting that 98.39% of the District’s 2022 taxes were collected as of the end of August 2023. After review and discussion, Director Berry moved to approve the tax report and payment of the invoices. Director Pierre seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING PAYMENT OF THE BILLS AND REVIEW OF INVESTMENTS

Ms. Mihills 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 Berry 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 unanimously.

DISCUSS 2023 TAX RATE AND RELATED MATTERS

The Board considered the District’s 2023 tax rate.

Ms. Shelton distributed and reviewed a tax rate analysis reflecting the recommendations for the District. A copy of the tax rate analysis is attached. The Board discussed the District’s operation and maintenance tax rate. Mr. Vaughan discussed the two-step process for setting the District’s tax rate.

Following review and discussion, Director Keys moved to: (1) set the public hearing date for October 4, 2023, at 12:30 p.m. at the offices of ABHR; and (2) authorize the tax assessor/collector to publish notice of the District’s meeting on October 4, 2023, at 12:30 p.m., to consider the proposed 2023 total tax rate of \$0.104 per \$100 of assessed valuation. Director Berry seconded the motion, which passed unanimously.

RECEIVE UPDATE ON CITY REBATE MATTERS

The Board discussed City rebate matters.

REVIEW STATUS OF DETENTION POND MAINTENANCE AND MOWING

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

ENGINEERING MATTERS

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

Mr. Carpenter discussed the status of the lake shoreline stabilization project, including the possibility of constructing a pump station to pump water from the Brays Bayou into Shadowlake. The Board discussed the earlier received public comment and possible ways to maintain the water level at the lake. Next, Mr. Carpenter reviewed a door hanger for the Board's consideration, which will notify residents of the construction timeline for the lake shoreline stabilization project.

Mr. Carpenter and the Board further discussed certain tree protections and recommendations from Urban Forester for trees along the lake shoreline. In connection with same, Mr. Carpenter reviewed and recommended approval of Change Order No. 2 to the contract with Storm Water Solutions, LLC ("SWS") for the lake shoreline stabilization project to increase the contract in the amount of \$35,838.50. Mr. Carpenter reviewed items included in the change order with the Board and responded to questions related to same. The Board determined that Change Order No. 2 is beneficial to the District.

Mr. Carpenter discussed the possibility of the District entering into an Untreated Water Contract with the City, noting that the fee for IDS to prepare the application for same would cost the District \$25,000. Following discussion, the Board deferred action on the Untreated Water Contract.

Mr. Carpenter updated the Board on the Brays Bayou Trail extension, noting that IDS is coordinating with Merrie Talley to administer the contract.

In connection with the Shadowlake Trail project, the Board reviewed the meeting report from Talley Landscape Architects Inc. The Board requested that an item be added to the September agenda to discuss entering into an access agreement with the Shadowlake HOA.

After review and discussion, Director Berry moved to (1) approve the engineer's report; (2) approve the door hanger notifying residents of the construction timeline for the lake shoreline stabilization project; and (3) approve Change Order No. 2 in the amount of \$35,838.50 as an increase to the contract with SWS, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation. Director Pierre seconded the motion, which passed by unanimous vote.

MEETING SCHEDULE AND ITEMS FOR THE NEXT BOARD MEETING

The Board discussed agenda items for the next Board meeting and concurred to hold its next regular meeting on October 4, 2023, at 12:30 p.m., at ABHR, 3200 Southwest Freeway, Suite 2400, Blanco Conference Room, Houston, Texas 77027.

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

Secretary, Board of Directors

(SEAL)

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Tax report	2
Bookkeeper's report	2
Tax rate analysis	2
Report on the detention pond maintenance and mowing	3
Engineer's report	3