

MINUTES  
FULSHEAR MUNICIPAL UTILITY DISTRICT NO. 1 OF FORT BEND COUNTY

January 25, 2023

The Board of Directors (the "Board") of Fulshear Municipal Utility District No. 1 of Fort Bend County (the "District") met in regular session, open to the public, on the 25<sup>th</sup> day of January, 2023, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, with supplemental access for the public provided by telephone conference, and the roll was called of the members of the Board:

Brooks D. Tueting	President
John Verburg	Vice President
Ronald Catchings	Secretary
Eugene R. Baker	Assistant Secretary/ Asst. Vice President
Todd Gnospelius	Assistant Secretary/ Asst. Vice President

and all of the above were present except Directors Tueting and Verburg, thus constituting a quorum.

Also present at the meeting in person or via telephone conference were Richard Tang, resident of the District; Julie Peak and Christine Crotwell of Masterson Advisors, LLC; Adam Swonke of Gleannloch Landscaping & Maintenance Company ("Glamco"); Alex Khoshakhlagh of Costello, Inc. ("Costello"); Marissa Iguess of Myrtle Cruz, Inc.; Shammarie Leon of Bob Leared Interests; Bill Sweitzer of Sweitzer & Associates ("S&A"); Dave Cannon of Trend Development, Inc.; and Katie Carner, Alex Manautou, Jennifer Ramirez, and Shammara Polk of Allen Boone Humphries Robinson LLP ("ABHR").

COMMENTS FROM THE PUBLIC

Mr. Tang addressed the Board regarding erosion and a sinkhole behind his residence on Legend Creek Drive, including within a pipeline easement. Ms. Carner stated that the erosion issue would be discussed further under agenda item no. 7.

MINUTES

The Board considered approving the minutes of the November 29, 2022, special meeting and the December 8, 2022 regular meeting. After review and discussion, Director Catchings moved to approve minutes of the November 29, 2022, special meeting and the December 8, 2022 regular meeting, as presented. Director Baker seconded the motion, which passed unanimously.

## DISTRICT WEBSITE MATTERS

Ms. Carner noted that the City of Fulshear's garbage survey was posted to the District's website.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Iguess reviewed the bookkeeper's report, a copy of which is attached, including the monthly investment report and budget comparison, and the bills presented for payment from the District's accounts.

Following review and discussion, Director Catchings moved to approve the bookkeeper's report and payment of the bills. Director Gnospelius seconded the motion, which passed unanimously.

Ms. Carner stated that, in accordance with the Public Funds Investment Act, the District's bookkeeper and Investment Officer are required to execute disclosure statements annually which disclose certain relationships with banks or brokers who seek to sell investments to the District. She stated that the disclosure statements will be filed with the Texas Ethics Commission. After review and discussion, Director Catchings moved to accept the disclosure statements and direct that the statements be filed with the Texas Ethics Commission and retained in the District's records. Director Gnospelius seconded the motion, which passed unanimously.

The Board conducted its annual review of the District's Investment Policy and determined that no changes were needed. Ms. Carner presented a Resolution Regarding Annual Review of Investment Policy, reflecting no changes to the current Investment Policy. After review and discussion, Director Catchings moved to adopt the Resolution Regarding Annual Review of Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Gnospelius seconded the motion, which passed unanimously.

The Board considered adopting a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions to update the list of qualified broker/dealers with whom the District may engage in investment transactions. Ms. Carner stated that the District's bookkeeper provided the updated list of broker/dealers, which is attached as Exhibit A to the Resolution. The Board noted that CitiBank, N.A. should be removed from the list.

After review and discussion, Director Catchings moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, with Exhibit A revised as discussed, and direct that the Resolution be filed appropriately and

retained in the District's official records. Director Gnospelius seconded the motion, which passed unanimously.

### RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a proposal from McDonald & Wessendorff Insurance for renewal of the District's insurance policies, effective March 10, 2023. After review and discussion, Director Catchings moved to approve the proposal for renewal of the District's insurance policies and direct that the proposal be filed appropriately and retained in the District's official records. Director Gnospelius seconded the motion, which passed unanimously.

The Board discussed an inquiry from the District's insurer regarding prior fence claims and directed ABHR to respond to the inquiry, as discussed.

### TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Leon reviewed the tax assessor/collector's report, a copy of which is attached. She reported that the District's 2022 taxes were 76.3% collected as of December 31, 2022.

In response to a previous inquiry from the Board, Ms. Leon stated that the agricultural deferment for 2022 previously listed on the report was a clerical error on the part of the Fort Bend Central Appraisal District and has since been corrected.

Following review and discussion, Director Gnospelius moved to approve the tax assessor/collector's report and payment of the tax bills. Director Catchings seconded the motion, which passed unanimously.

### ENGINEERING MATTERS

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

### FULBROOK ON FULSHEAR CREEK, SECTION 11

There was no update on this agenda item.

### FULBROOK ON FULSHEAR CREEK, SECTION 17 WATER, SEWER, AND DRAINAGE FACILITIES

Mr. Khoshakhlagh updated the Board on the status of construction of the water, sewer, and drainage facilities to serve Fulbrook on Fulshear Creek, Section 17, as reflected in his report. Ms. Carner stated that the attorney for Briggs Brothers Construction Enterprises, Inc. ("Briggs") has requested that the District consider allowing Briggs to return to the site to complete the project. After discussion, the Board concurred that the Board is willing to consider allowing

Briggs to complete the project, subject to Briggs proving an acceptable schedule for completion and consent of and direction from the surety regarding payment for the work.

#### FULBROOK ON FULSHEAR CREEK, SECTION 17 PAVING FACILITIES

Mr. Khoshakhlagh updated the Board on the status of construction of the paving facilities to serve Fulbrook on Fulshear Creek, Section 17, as reflected in his report.

#### FULBROOK ON FULSHEAR CREEK, SECTION 18 WATER, SEWER, AND DRAINAGE FACILITIES

Mr. Khoshakhlagh updated the Board on the status of construction of the water, sewer, and drainage facilities to serve Fulbrook on Fulshear Creek, Section 18, as reflected in his report. Ms. Carner stated that the attorney for Briggs has requested that the District consider allowing Briggs to complete the project. After discussion, the Board concurred that the Board is willing to consider allowing Briggs to complete the project, subject to the same terms discussed for the Fulbrook on Fulshear Creek, Section 17 water, sewer, and drainage facilities project.

#### FULBROOK ON FULSHEAR CREEK, SECTION 18 PAVING FACILITIES

Mr. Khoshakhlagh updated the Board on the status of construction of the paving facilities to serve Fulbrook on Fulshear Creek, Section 18, as reflected in his report.

#### FULBROOK ON FULSHEAR CREEK, SECTION 19 WATER, SEWER, AND DRAINAGE FACILITIES

Mr. Khoshakhlagh updated the Board on the status of construction of the water, sewer, and drainage facilities to serve Fulbrook on Fulshear Creek, Section 19, as reflected in his report.

#### FULBROOK ON FULSHEAR CREEK, SECTION 19 PAVING FACILITIES

Mr. Khoshakhlagh updated the Board on the status of construction of the paving facilities to serve Fulbrook on Fulshear Creek, Section 19, as reflected in his report.

#### DRAINAGE STUDY

There was no discussion on this agenda item.

## MASS GRADING AND REGIONAL DETENTION/ AMENITY POND

Mr. Khoshakhlagh updated the Board on the status of construction of the mass grading and regional detention/amenity pond, as reflected in his report. Ms. Carner stated that the attorney for Briggs has requested that the District consider allowing Briggs to complete the project. After discussion, the Board concurred that the Board is willing to consider allowing Briggs to complete the project, subject to the same terms discussed for the Fulbrook on Fulshear Creek, Section 17 water, sewer, and drainage facilities project.

## EROSION REPAIRS BEHIND 4811 LEGEND CREEK DRIVE AND 5307 LAKE HILL FARM WAY

Mr. Khoshakhlagh updated the Board on the status of the erosion repairs along Fulshear Creek behind 4811 Legend Creek Drive and 5307 Lake Hill Farm Way. He reviewed and recommended approval of Pay Estimate No. 1 and Final in the amount of \$88,797.00 and Change Order No. 1 to increase the contract in the amount of \$20,000.00, submitted by Hurtado Construction Company ("Hurtado"). Mr. Khoshakhlagh stated that Change Order No. 1 is for bonds and mobilization. The Board determined that Change Order No. 1 is beneficial to the District. Mr. Khoshakhlagh then recommended that the Board accept the project.

## EROSION REPAIRS BEHIND 5423 LAKE HILL FARM WAY

Mr. Khoshakhlagh updated the Board on the status of the erosion repairs along Fulshear Creek behind 5423 Lake Hill Farm Way. He reviewed and recommended approval of Pay Estimate No. 1 and Final in the amount of \$28,615.00 and Change Order No. 1 to increase the contract in the amount of \$9,000.00, submitted by Hurtado. Mr. Khoshakhlagh stated that Change Order No. 1 is for bonds and mobilization. The Board determined that Change Order No. 1 is beneficial to the District. Mr. Khoshakhlagh then recommended that the Board accept the project.

## OTHER ENGINEERING MATTERS

Mr. Khoshakhlagh stated that Costello met onsite with representatives of Kinder Morgan and Dow Chemical and two property owners to assess the erosion in and around the pipeline easement located adjacent to 4827 Legend Creek Drive. He reported that both pipeline companies stated that they do not assume responsibility for any repairs. Mr. Khoshakhlagh stated that if the District wishes to proceed with a site evaluation, he recommended the Board authorize Cibor, Inc. to perform a geotechnical evaluation for an amount not to exceed \$4,000.00. After discussion, the Board concurred to table action on this matter, pending further investigation by the Board.

Following review and discussion, and based on the engineer's recommendation, Director Catchings moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 1 and Final in the amount of \$88,797.00 to Hurtado and Change Order No. 1 to increase the contract in the amount of \$20,000.00, submitted by Hurtado, based on the Board's determination that the Change Order is beneficial to the District and accept the project; and (3) approve Pay Estimate No. 1 and Final in the amount of \$28,615.00 to Hurtado and Change Order No. 1 to increase the contract in the amount of \$9,000.00, submitted by Hurtado, based on the Board's determination that the Change Order is beneficial to the District and accept the project. Director Gnospelius seconded the motion, which passed unanimously.

#### DEEDS AND EASEMENTS, PHASE I ENVIRONMENTAL PROPOSALS, AND CONSENTS TO ENCROACHMENT OF EASEMENTS

There was no discussion on this agenda item.

#### UTILITY COMMITMENTS

There was no discussion on this agenda item.

#### UTILITY CONVEYANCE AND SECURITY AGREEMENTS

There was no discussion on this agenda item.

#### PARK PROJECTS

Mr. Sweitzer reviewed the landscape architect's report, a copy of which is attached.

Mr. Sweitzer updated the Board on the status of the construction of landscape development to serve Fulbrook on Fulshear Creek, Sections 9, 10, 15, and 16, as reflected in his report. He reported that there are continuing delays related to availability of water meters.

Mr. Sweitzer updated the Board on the status of the landscape development of Fulbrook on Fulshear Creek, Section 6. He reported that there are continuing delays related to availability of water meters.

Mr. Sweitzer updated the Board on the status of the design of the Parkside Passage Recreation Center.

Mr. Sweitzer updated the Board on the status of design of landscape development and greenway enhancements perimeter walls to serve Fulbrook on Fulshear Creek, Section 7.

Mr. Sweitzer recommended that the repairs to the damaged portion of the District's greenway enhancements perimeter walls along Southpoint Way and Creekbend Drive be added to the scope of the contract for the greenway enhancements perimeter walls to serve Fulbrook on Fulshear Creek, Section 7. After discussion, the Board concurred to add the repairs as an alternate bid item, as recommended.

Mr. Sweitzer reported that the District received three bids for the paver repairs at the roundabout on Fulshear Trace. He recommended that the Board award the contract to the low bidder, Impressions in Concrete, Inc. ("Impressions"), in the amount of \$30,000.00. The Board concurred that, in its judgment, Impressions was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

After review and discussion, and based on the landscape architect's recommendation, Director Catchings moved to (1) approve the landscape architect's report; and (2) award the contract for the paver repairs at the roundabout on Fulshear Trace to Impressions in the amount of \$30,000.00, based on the landscape architect's recommendation and subject to approval of payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor. Director Gnospelius seconded the motion, which passed unanimously.

#### MOWING AND MAINTENANCE OF DISTRICT PROPERTY

Mr. Swonke updated the Board on mowing and maintenance in the District.

Mr. Swonke reported that a resident on Legend Ridge Court is utilizing District property to access their backyard for construction of a pool and depositing debris behind their residence on District property, near the wetlands. After discussion, the Board concurred to authorize ABHR to send correspondence to the resident regarding the unauthorized access and debris.

The Board reviewed correspondence from a resident regarding maintenance of the District's property behind Legend Ridge Court, a copy of which is attached.

The Board reviewed correspondence from a resident following up on his request for the installation of a fountain, a copy of which is attached. Mr. Khoshakhlagh stated that Costello does not have any recommendations regarding options for stormwater filtration at this time. The Board requested that Glamco reach out to the lake management and stormwater management companies to see if they could provide any options for discussion at the February meeting.

The Board reviewed correspondence from a resident regarding maintenance of the District's property behind Bent Tree Drive, adjacent to Fulbrook on Fulshear Creek,

Section 13, a copy of which is attached. Mr. Swonke reported that the maintenance of that area was completed Monday.

The Board reviewed correspondence from the Fulbrook on Fulshear Creek Community Association regarding various landscape maintenance matters, a copy of which is attached.

#### REPORT ON DEVELOPMENT

Mr. Cannon updated the Board on development in the District.

#### ATTORNEY'S REPORT

##### ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Carner reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no changes to the policy are required at this time.

##### REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2017 BONDS

Ms. Carner reviewed the interim Arbitrage Rebate Report for the District's Unlimited Tax Bonds, Series 2017, prepared by OmniCap Group LLC. She stated the report reflects that no arbitrage rebate or yield reduction payment is due to the Internal Revenue Service.

#### CITY OF FULSHEAR MATTERS

There was no discussion on this item.

#### 2023 DIRECTORS ELECTION

##### ADOPT ORDER CALLING DIRECTORS ELECTION

Ms. Carner reviewed an Order Calling Directors Election.

##### AUTHORIZE NOTICE OF ELECTION

Ms. Carner discussed that the Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Fort Bend County.

Following review and discussion, Director Catchings moved to (1) adopt the Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District's official records; and (2) authorize the Secretary's agent to post or publish the Notice of Election and provide the notice to the County Clerk and Voter



Registrar, if required. Director Gnospelius seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

REVIEW OF MASTER AGREEMENT FOR PROFESSIONAL LANDSCAPE ARCHITECTURE SERVICES WITH S&A

Discussion ensued regarding the landscape architecture services agreement between the District and S&A. Mr. Sweitzer answered questions from the Board regarding the same.

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



Secretary, Board of Directors



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