

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

January 26, 2022

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 26th day of January, 2022, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas 77027, outside the boundaries of the District, 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, thus constituting a quorum.

Also present at the meeting were Adam Swonke of Gleannloch Landscaping & Maintenance Company ("Glamco"); Alex Khoshakhlagh of Costello, Inc. ("Costello"); Shammari Leon of Bob Leared Interests; Marissa Iguess of Myrtle Cruz, Inc.; Christine Crotwell and Julie Peak of Masterson Advisors LLC; Bill Sweitzer of Sweitzer & Associates ("S&A"); Dave Cannon of Trend Development, Inc.; and Katie Carner and Erika Smiley of Allen Boone Humphries Robinson LLP ("ABHR").

Due to the COVID-19 virus epidemic emergency and the high threat level warnings issued by various governments and agencies, the District established a telephone option for members of the public to listen to the meeting and to address the Board.

COMMENTS FROM THE PUBLIC

Ms. Carner offered any members of the public the opportunity to make public comment. There being no members of the public requesting to make public comment, Ms. Carner moved to the next agenda item.

MINUTES

The Board considered approving the regular meeting minutes of December 15, 2021. After review and discussion, Director Baker moved to approve the regular meeting minutes of December 15, 2021, as presented. Director Catchings seconded the motion, which passed by unanimous vote.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

SERIES 2022 UNLIMITED TAX ROAD BONDS

Ms. Peak reviewed a handout regarding the status of the municipal bond market, a copy of which is attached.

Ms. Peak discussed the procedures and proposed schedule for the issuance of the District's Unlimited Tax Road Bonds, Series 2022 (the "Series 2022 Road Bonds").

APPROVE COST SUMMARY FOR BOND ISSUE

The Board reviewed the proposed cost summary for the Series 2022 Road Bonds.

APPROVE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Ms. Peak reviewed the Preliminary Official Statement and Official Notice of Sale for the Series 2022 Road Bonds with the Board.

PAYING AGENT/REGISTRAR

The Board discussed appointing a Paying Agent/Registrar for the District's Series 2022 Road Bonds.

ADVERTISEMENT AND SCHEDULE FOR SALE OF THE SERIES 2022 ROAD BONDS

The Board discussed the proposed schedule for the sale of the District's Series 2022 Road Bonds.

AUTHORIZE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

The Board considered authorizing the District's auditor, McCall Gibson Swedlund Barfoot PLLC, to prepare a developer reimbursement report for the Series 2022 Road Bonds, pursuant to their engagement letter.

After discussion, Director Catchings moved to (1) approve the cost summary; (2) approve the Preliminary Official Statement and Official Notice of Sale, subject to final review; (3) appoint Bank of New York Mellon Trust Company, N.A. as the Paying Agent/Registrar for the Series 2022 Road Bonds; (4) authorize advertisement for sale of the Series 2022 Road Bonds and schedule the bond sale for next month's regular

meeting on February 23, 2022; and (5) authorize the auditor to prepare a developer reimbursement report. Director Verburg seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

The Board reviewed the bookkeeper's report, a copy of which is attached. She presented check no. 4303, payable to GLAMCO.

Ms. Iguess noted a City of Fulshear (the "City") water bill, stating that MC is waiting to hear back from the city regarding included late fees.

Following review and discussion, Director Verburg moved to approve the bookkeeper's report and payment of the bills including check no. 4303. Director Tueting seconded the motion, which passed by unanimous vote.

Ms. Carner stated that, in accordance with the Public Funds Investment Act, Ms. Kelsey as the bookkeeper and Mary Jarmon as the 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.

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.

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 noted that the District's bookkeeper provided the updated list of broker/dealers, which is attached as Exhibit A to the Resolution.

After review and discussion, Director Catchings moved to (1) accept the disclosure statements and direct that the statements be filed with the Texas Ethics Commission and retained in the District's records; (2) 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; and (3) adopt the 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 Gnospelius seconded the motion, which passed by unanimous vote.

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, 2022. 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 Verburg seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Leon reviewed the tax assessor/collector's report, a copy of which is attached. Following review and discussion, Director Verburg moved to approve the tax assessor/collector's report and payment of the tax bills. Director Gnospelius seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

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

Mr. Khoshakhlagh stated that bids were received for the detention pond to serve the East and West commercial sites. He recommended that the Board award the contract to Hurtado Construction Company ("Hurtado"), in the amount of \$448,988.36. The Board concurred that, in its judgment, Hurtado 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.

Mr. Khoshakhlagh reported on work order no. 80 and the Series 2022 Road Bonds, requesting authorization to prepare the report for the road bond issue.

Mr. Khoshakhlagh reported on a site inspection of the erosion reported behind a home on Lake Hill Farm Way. He stated Glamco and Cibor, Inc. were notified and Cibor responded saying they can provide their geotechnical input for addressing the erosion at a cost not to exceed \$3,800. Mr. Khoshakhlagh then recommended the Board authorize Cibor to provide geotechnical input for an amount not to exceed \$3,800. He also requested that the Board authorize Costello to survey the area for an amount not to exceed \$3,000, if needed.

Discussion ensued regarding the turn-around and round-about on Fulshear Trace. The Board concurred to authorize Director Verburg to further discuss with the City.

Mr. Khoshakhlagh discussed the erosion behind West Farm Way. He stated Costello recommends installation of a swale, and Glamco will bring a proposal for the same to the next meeting.

Following review and discussion, and based on the engineer's recommendation, Director Catchings moved to (1) approve the engineer's report; (2) award the contract for construction of a detention pond to serve the East and West commercial sites to Hurtado in the amount of \$448,988.36, subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; (3) authorize Costello to prepare the report for the Series 2022 Road Bonds; (4) authorize Cibor to provide geotechnical engineering services for the property behind Lake Hill Farm Way for an amount not to exceed \$3,800; and (5) authorize Costello to conduct survey work behind Lake Hill Farm Way, as needed, for an amount not to exceed \$3,800. Director Gnospelius seconded the motion, which passed by unanimous vote.

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 reported on the District trail system public hearing scheduled for February 23, 2022. Ms. Carner noted that the District's website will be updated and an email alert will be sent to residents regarding the same. Discussion ensued, and the Board directed ABHR draft and provide a survey for residents to complete and submit.

Mr. Sweitzer reviewed a proposal from McKenna Contracting for playground maintenance totaling \$5,200. Discussion ensued, and the Board declined to move forward on power washing and replacing the swings, reducing the proposal to \$3,640 for fall surface replenishment.

After review and discussion, Director Gnospelius and based on the landscape architect's recommendation, moved to approve (1) landscape architect's report; and (2) the proposal from McKenna Contracting in the amount of \$3,640, as discussed. Director Catchings seconded the motion, which passed by unanimous vote.

MOWING AND MAINTENANCE OF DISTRICT PROPERTY

Mr. Swonke reviewed the mowing and maintenance report, a copy of which is attached.

Mr. Swonke reviewed a proposal for ant treatment along the wrought iron fencing and pipeline in the amount of \$1,507.20 per treatment. He recommended that the Board authorize three treatments annually. A copy of the proposal is attached to these minutes.

Mr. Swonke reviewed a proposal for tree maintenance behind Lake Hill Farm Way in the amount of \$1,750. Discussion ensued. A copy of the proposal is attached to these minutes.

Discussion ensued regarding the District's maintenance and the Board concurred to add an item to the District's budget for ant treatment for fiscal year 2023.

After review and discussion, Director Catchings moved to approve (1) the mowing and maintenance report; (2) the proposal for ant treatment in the amount of \$1,507 for three treatments this year; and (3) the proposal for tree maintenance behind Lake Hill Farm Way in the amount of \$1,750. Director Verburg seconded the motion. The motion passed 4-0, with Director Gnospelius absent during the vote.

REPORT ON DEVELOPMENT

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

MEETING LOCATION AND SCHEDULE

The Board discussed the District's permanent meeting location and requested consultants provide any additional costs the District would incur should the Board decide to meet in the District. Ms. Carner reported the Fullbrook on Fulshear Creek Homeowners Association stated there would be a \$120 monthly cleaning fee for usage of the Lodge building.

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 2016 BONDS

Ms. Carner reviewed the final Arbitrage Rebate Report for the District's Unlimited Tax Bonds, Series 2016, 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 MATTERS

There was no discussion on this agenda item.

Director Catchings left the meeting.

REVIEW OF MASTER AGREEMENT

Discussion ensued regarding the master service agreement between the District and Costello. Mr. Khoshakhlagh answered questions from the Board regarding the same.

The Board concurred to consider the service agreement with Masterson at the District's March meeting.

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




Secretary, Board of Directors

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