

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

February 23, 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 23rd day of February, 2022, at the Lodge Welcome Center, 5005 Lodge Lake Drive, Fulshear, Texas, inside the boundaries of the District, with supplemental access to 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 Catchings and Verburg, thus constituting a quorum.

Also present at the meeting were 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; Julie Peak of Masterson Advisors LLC ("Masterson"); Bill Sweitzer of Sweitzer & Associates ("S&A"); Dave Cannon of Trend Development, Inc.; Katie Carner and Erika Smiley of Allen Boone Humphries Robinson LLP ("ABHR"); and members of the public as shown on the attached list.

DISTRICT TRAIL SYSTEM, INCLUDING COST ESTIMATE FOR RESTORATION AND CONDUCT PUBLIC HEARING REGARDING TRAIL SYSTEM OPTIONS; COMMENTS FROM THE PUBLIC

Mr. Sweitzer presented and reviewed an overview of the proposed Fulshear Creek trail system improvements project, a copy of which is attached. Ms. Carner reminded the Board that a resident survey regarding the options for the trail system had been posted to the District's website and e-mailed out to residents by the Fulbrook on Fulshear Creek Homeowners Association. She presented an overview of the survey responses, a copy of which is attached. The Board discussed the history of the original trail system and closure of same following damage sustained during Hurricane Harvey.

The Board then opened the public hearing on the District trail system.

Mr. Claytor inquired about how the trails would be funded.

Ms. Burns stated that in cases where a formal trail has not been constructed, individuals often create an informal trail through repeated use of an area. She expressed support for a paved trail.

Mr. Bienawski inquired about whether the District had surveyed the bank to determine whether the slope will support the proposed trail. He expressed support for the proposed trail system, but stated he wanted to ensure the slope is properly stabilized.

Mr. Jones inquired about the differences between the original trail system and the proposed improvements. He stated he supports the improvement of the trails, but shares earlier expressed concerns regarding stability of the slope.

Mr. and Ms. White expressed opposition to the proposed trail location due to proximity to adjacent residences and privacy considerations.

Mr. Courville stated he wanted to confirm the location of the proposed trail improvements. He also expressed interest in the District trail system connecting to any future trails installed by the City of Fulshear (the "City").

Mr. Shepherd stated he supports the trails but wants to ensure safety and accessibility of same.

Mr. and Ms. Kellum expressed opposition to the current trail closure signs and expressed support for proceeding with the trail improvements project as soon as possible.

Ms. Lopez expressed support for the trail system. She requested that the Board consider installation of trees adjacent to the trails.

Mr. and Ms. Tortorici inquired about the timeline for a decision on the trail system and, if the Board elects to proceed, for construction of the trail improvements.

There being no additional members of the public who wished to address the Board, Board closed the public hearing. The Board and Mr. Sweitzer answered resident questions and discussed the proposed trail improvements. After discussion, the Board deferred action on the trail system.

## MINUTES

The Board considered approving the regular meeting minutes of January 26, 2022. After review and discussion, Director Gnospelius moved to approve the regular meeting minutes of January 26, 2022, as presented. Director Tueting seconded the motion, which passed by unanimous vote.

DISTRICT WEBSITE MATTERS

Ms. Carner noted outdated items on the District’s website, and the Board concurred to remove the same.

SERIES 2022 UNLIMITED TAX ROAD BONDS

REVIEW BIDS AND AWARD SALE OF THE DISTRICT’S \$5,000,000 UNLIMITED TAX ROAD BONDS, SERIES 2022 (THE “SERIES 2022 ROAD BONDS”)

Ms. Peak reviewed with the Board a summary of the six bids received for the sale of the District’s Series 2022 Road Bonds, a copy of which is attached. She stated the bids were verified for accuracy, and that good faith checks were submitted by all of the bidders. Ms. Peak recommended that the Board award the sale of the District’s Series 2022 Road Bonds to the low bidder, BOK Financial Securities Inc. (“BOK”), at a net effective interest rate of 3.046291%. She reported that Moody’s Investor Service confirmed the District’s rating for the Series 2022 Road Bonds.

Ms. Peak also reviewed a Pricing Book prepared by Masterson, a copy of which is attached.

RESOLUTION AUTHORIZING ISSUANCE OF THE DISTRICT’S SERIES 2022 ROAD BONDS

Ms. Carner reviewed the provisions of a proposed Resolution Authorizing the Issuance of the District’s Series 2022 Road Bonds and explained that the document sets forth the terms and provisions of issuance and delivery of the Bonds, the payment of principal and interest over the life of the Bonds, and certain District covenants regarding the tax-exempt status of the Bonds.

PAYING AGENT/REGISTRAR AGREEMENT

Ms. Carner reviewed the provisions of a proposed Paying Agent/Registrar Agreement with Bank of New York Mellon Trust Company, N.A. by which the Paying Agent/Registrar will handle registration, transfer, and payment of the District’s Series 2022 Road Bonds.

OFFICIAL STATEMENT

Ms. Carner explained that the Preliminary Official Statement for the District’s Series 2022 Road Bonds will be updated to reflect the terms of the sale, including the purchaser, interest rates, and debt service requirements, and will be used as the Official Statement for the Series 2022 Road Bonds.

## CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Carner presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice reflecting that the Board has relied on Masterson for financial advice concerning the issuance of the District's Series 2022 Road Bonds.

## AUTHORIZE SIGNATURES AND ALL NECESSARY ACTION

Ms. Carner noted that it will be necessary for the President or Vice President and the Secretary or Assistant Secretary of the Board to sign documents relating to the sale and closing of the District's Series 2022 Road Bonds and actions will be required to be taken by the District's attorney and financial advisor to deliver the District's Series 2022 Road Bonds to the purchaser.

## APPROVE PAYMENT TO ATTORNEY GENERAL

Ms. Carner stated that it will be necessary for the District to submit payment to the Attorney General of Texas relating to the bond issue transcript review.

## AMENDMENT TO INFORMATION FORM

The Board reviewed an Amendment to Information Form reflecting the sale of the District's Series 2022 Road Bonds for filing with the Fort Bend County Clerk's Office and the Texas Commission on Environmental Quality ("TCEQ").

Following review and discussion, and based on the financial advisor's recommendation, Director Tueting moved to (1) award the sale of the District's Series 2022 Road Bonds to BOK; (2) adopt the Resolution Authorizing the Issuance of the District's Series 2022 Road Bonds; (3) approve the Paying Agent/Registrar Agreement for the Bonds with the Bank of New York Mellon Trust Company, N.A.; (4) approve the Official Statement; (5) authorize execution of the Certificate Regarding Provision of Financial Advice; (6) authorize the Board of Directors to sign all documents relating to the sale of the Bonds and authorize ABHR and Masterson Advisors to take all necessary steps to deliver the Bonds to the purchaser; (7) approve payment to the Attorney General of Texas relating to the bond issue transcript review; (8) authorize execution of the Amendment to Information Form; and (9) direct that all bond documents be filed appropriately and retained in the District's official records. Director Gnospelius 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. Ms. Igness presented one additional check, no. 4389, payable to Glamco.

Following review and discussion, Director Tueting moved to approve the bookkeeper's report and payment of the bills, including check no. 4389. Director Gnospelius seconded the motion, which passed by unanimous vote.

The Board considered authorizing reimbursement of eligible expenses from directors attending the Association of Water Board Directors ("AWBD") winter conference and authorizing attendance by all interested directors at the summer conference.

After review and discussion, Director Tueting moved to authorize reimbursement of eligible expenses for any directors attending the AWBD winter conference and to authorize any interested Board members to attend the AWBD summer conference. Director Gnospelius 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 Gnospelius moved to approve the tax assessor/collector's report and payment of the tax bills. Director Baker seconded the motion, which passed by unanimous vote.

#### TAX EXEMPTIONS

The Board considered the optional exemptions from taxation for the 2022 tax year, including a general residential homestead exemption and a homestead exemption for disabled persons or persons over 65 years of age. Following review and discussion, Director Gnospelius moved to adopt the Resolution Concerning Exemptions from Taxation, granting a homestead exemption in the amount of \$10,000 of the appraised value of the homestead property for residents over the age of 65 or disabled and rejecting the general homestead exemption from ad valorem taxation, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Tueting seconded the motion, which passed by unanimous vote.

#### ENGINEERING MATTERS

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

#### CLEARING AND GRUBBING TO SERVE MASS GRADING AND REGIONAL DETENTION/AMENITY POND

Mr. Khoshakhlagh updated the Board on the status of the clearing and grubbing to serve mass grading and regional detention/amenity pond. He reviewed and recommended approval of Pay Estimate No. 3 and Final in the amount of \$53,783.97, payable to MH2 Construction ("MH2").

Mr. Khoshakhlagh then reviewed and recommended approval of Change Order No. 1 to the contract with MH2 for clearing and grubbing to serve mass grading and regional detention/amenity pond in the total amount of \$73,100 as an increase to the contract with MH2. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Khoshakhlagh stated that bids were received for mass grading and construction of a regional detention/amenity pond. He recommended that the Board award the contract to Briggs Brothers Enterprises Corporation ("Briggs") in the amount of \$2,988,666.50. The Board concurred that, in its judgment, Briggs 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.

Following review and discussion, and based on the engineer's recommendation, Director Gnospelius moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 3 and Final in the amount of \$53,783.97, payable to MH2; (3) approve Change Order No. 1 in the amount of \$73,100 as an increase to the contract with MH2; and (4) to award the contract for construction of mass grading and construction of a regional detention/amenity pond to Briggs in the amount of \$2,988,666.50, subject to approval of the payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor. Director Tueting 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 Fulbrook on Fulshear Creek, Section 5, stating that a resident on Streamside Trail is constructing a pool and has damaged the District's adjacent property. Discussion ensued, and the Board directed Mr. Swonke and Mr. Sweitzer to inspect the area, provide a cost estimate for damages, and notify the City of

the same. The Board also directed Ms. Carner to send correspondence to the resident requesting reimbursement for the repairs from the homeowner or their pool builder once repairs have been completed.

Mr. Sweitzer stated that bids were received for the construction of greenway enhancement perimeter walls to serve Fulbrook on Fulshear Creek, Section 6. He recommended that the Board award the contract to American Wall Systems, Inc. ("American Wall"), in the amount of \$162,195.65. The Board concurred that, in its judgment, American Wall 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. Sweitzer reported on the pavers adjacent to the Fulshear Trace roundabout area. He presented a proposal in the amount of \$20,250 to remove the pavers, pour a concrete base, and reinstall the pavers. After discussion, the Board concurred to defer consideration of the proposal until after construction of the adjacent sections is complete. The Board also requested that City road maintenance staff attend the next regular meeting to discuss the matters further.

After review and discussion, and based on the landscape architect's recommendation, Director Tueting moved to (1) approve landscape architect's report; and (2) award the contract for the greenway enhancement perimeter walls to serve Fulbrook on Fulshear Creek, Section 6 to American Wall, in the amount of \$162,195.65, subject to approval of the 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 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 tree maintenance in Fulbrook on Fulshear Creek, Section 13 in the amount of \$1,750, a copy of which is attached. He stated Glamco could remove the tree debris for an additional amount of \$1,500. Discussion ensued regarding precautions required for work performed in jurisdictional wetlands areas. After discussion, the Board considered authorizing Glamco to remove all tree and other debris in the area for a cost not to exceed \$10,000, subject to the Board President's final approval.

Mr. Swonke reviewed a proposal for repair and replacement of sod along the fence line behind Lodge Lake Drive as a result of hog damage, in the amount of \$2,200, a copy of which is attached. Discussion ensued.

Mr. Swonke reviewed a proposal for installation of a swale behind West Farm Way in the amount of \$6,045, a copy of which is attached.

After review and discussion, Director Gnospelius moved to (1) approve the mowing and maintenance report; (2) authorize Glamco to remove all tree and other debris in the District's reserve in Fulbrook on Fulshear Creek, Section 13 for an amount not to exceed \$10,000, subject to the President's final approval; (3) approve the proposal for repair and replacement of sod behind Lodge Lake Drive in the amount of \$2,200; and (4) approve the proposal for installation of a swale behind West Farm Way in the amount of \$6,045. Director Baker seconded the motion, which passed by unanimous vote.

#### REPORT ON DEVELOPMENT

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

#### MEETING LOCATION AND SCHEDULE

Ms. Carner reviewed estimated cost information provided by the District's consultants for holding meetings either at the offices of ABHR or in the District. After discussion, the Board concurred to hold the next regular meeting on March 23, 2022, at noon, at the offices of ABHR.

#### ATTORNEY'S REPORT

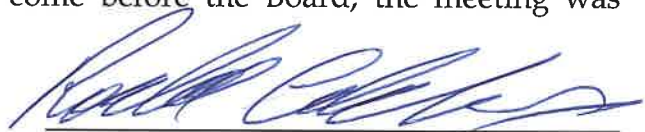
There was no discussion on this item.

#### CITY MATTERS

There was no discussion on this item.

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



  
Secretary, Board of Directors



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