

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

March 22, 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 22nd day of March, 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, thus constituting a quorum.

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

COMMENTS FROM THE PUBLIC

Mr. Tang addressed the Board regarding erosion concerns behind his residence on Legend Creek Drive. Director Tueting stated that the District is actively looking into erosion along Fulshear Creek, and an update will be provided once a proposed plan is prepared by the engineer.

Ms. Carner reviewed correspondence from a resident regarding leaf cutter ant on their property on South Creek Way adjacent to District property, a copy of which is attached. Ms. Carner reminded the Board that Glamco currently conducts quarterly treatments. The Board requested Glamco bring a proposal for specific treatment for this type of ant to the next Board meeting for discussion.

MINUTES

The Board considered approving the minutes of the February 22, 2023, regular meeting. Following review and discussion, Director Catchings moved to approve the minutes of the February 22, 2023, regular meeting, as presented. Director Tueting seconded the motion, which passed by a vote of 3 to 0 with Director Baker abstaining from voting and Director Verburg absent from the meeting.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

2023 DIRECTORS ELECTION

ACCEPT CERTIFICATE DECLARING UNOPPOSED STATUS OF CANDIDATES FOR ELECTION TO THE BOARD OF DIRECTORS

Ms. Carner discussed procedures related to the 2023 Directors Election. She presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors executed by the Board Secretary stating that the District received two candidate applications for the two director positions for the 2023 Directors Election.

Director Verburg entered the meeting.

ADOPT ORDER CANCELLING ELECTION AND DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE

Ms. Carner presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating that the May 6, 2023, Directors Election is cancelled and that the unopposed candidates, John Verburg and Kevin White, are declared elected to office to serve from the May 6, 2023, election until the May 1, 2027, election.

AUTHORIZE CANCELLATION OF COUNTY CONTRACT FOR ELECTION SERVICES

Ms. Carner discussed that the Board had approved entering into a contract with Fort Bend County to administer the District's 2023 Directors Election. The Board considered cancelling the contract.

Following review and discussion, Director Catchings moved to (1) accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors; (2) adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office; and (3) authorize cancellation of the contract with Fort Bend County for

election services for the 2023 Directors Election. Director Gnospelius seconded the motion, which passed unanimously.

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.

Ms. Iguess reviewed a draft budget for the fiscal year ending April 30, 2024, a copy of which is included in the bookkeeper's report. She requested the Board and consultants review the draft budget and provide any comments to her prior to the next Board meeting. Following discussion, the Board directed MCI to increase the landscape maintenance and repairs budget, as discussed. The Board requested Costello and S&A prepare a map of all greenway enhancement perimeter walls in the District and notate when their warranties will expire so any needed repairs can be accounted for when discussing future budgets.

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

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 98.3% collected as of February 28, 2023.

Following review and discussion, Director Tueting moved to approve the tax assessor/collector's report and payment of the tax bills. Director Verburg 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. He stated the surety's claim consultants, Nicholson

Professional Consulting (“Nicholson”), have completed their inspection and Costello is currently awaiting their final decision.

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.

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. He stated the surety’s claim consultants, Nicholson, have completed their inspection and Costello is currently awaiting their final decision.

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.

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. He stated the surety’s claim consultants, Nicholson, have completed their inspection and Costello is currently awaiting their final decision.

EROSION REPAIRS ADJACENT TO STREAMSIDE TRAIL

Mr. Khoshakhlagh updated the Board regarding erosion along the south bank of Fulshear Creek. He stated Costello is working on a full investigation of all areas needing erosion repairs and will be conducting a visual observation and evaluation this month.

LEGEND CREEK INLET IMPROVEMENTS

Mr. Khoshakhlagh reviewed and presented bids for the removal and replacement of the existing inlet tops from Hurtado Construction Company ("Hurtado") in the amount of \$12,993.75 and Blazey Construction Service, LLC in the amount of \$13,650.00, copies of which are attached to the engineer's report. Discussion ensued. 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.

OTHER ENGINEERING MATTERS, INCLUDING RESIDENT REQUESTS

Mr. Khoshakhlagh updated the Board regarding the erosion in and around the pipeline easement located adjacent to Legend Creek Drive. He stated Costello contacted the Railroad Commission of Texas (the "Commission") and they were informed that the Commission does not have jurisdiction over the pipeline company's maintenance within manages the easement unless the erosion compromises the line by causing it to be uncovered or undermined. Following discussion, the Board directed ABHR to review the original pipeline easement for any language regarding maintenance obligations.

REQUEST FOR AMENDMENT TO RATE SCHEDULE FOR ENGINEERING SERVICES AGREEMENT WITH COSTELLO

The Board continued discussion from the February 22, 2023, Board meeting regarding removal of the additional 10% charge for mileage. Mr. Khoshakhlagh stated that the additional 10% is to cover the administrative work in reference to expense report processing. Following discussion, the Board took no additional action and requested Costello remove the additional 10% cost for mileage from the updated rate schedule, as approved at the last meeting.

The Board reviewed correspondence from the Fulbrook on Fulshear Creek Community Association regarding a resident on Green Grove Lane utilizing District property to access their backyard for construction of a pool, a copy of which is attached. Mr. Khoshakhlagh stated upon inspection it appears the property was used as an entrance and that the area needs to be seeded. Following discussion, the Board concurred to request that the Fulbrook on Fulshear Creek Community Association hold the resident's pool deposit until the area is restored to its original condition.

Following review and discussion, and based on the engineer's recommendation, Director Verburg moved to (1) approve the engineer's report; and (2) award the contract for the removal and replacement of the existing inlet tops to Hurtado in the amount of \$12,993.75, subject to review of the certificate of insurance and endorsements, if any, provided by the contractor. Director Catchings seconded the motion, which passed unanimously.

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

Ms. Carner updated the Board regarding the preparation of the Special Warranty Deed from Fulshear Land Partners, Ltd. to the District for a portion of Reserve A within Fulbrook on Fulshear Creek, Section 14.

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 advised Change Order No. 3 in the amount of \$2,000 which was presented and approved at the February 22, 2023, Board meeting has been renumbered as Change Order No. 2 and what was originally presented at the February 22, 2023, as Change Order No. 2 in the amount of \$6,000 has been renumbered as Change Order No. 3. He reviewed and recommended approval of renumbered Change Order No. 3 to increase the contract in the amount of \$6,000.00, submitted by Platinum Grass Services, LTD. ("PGS"). Mr. Sweitzer stated that Change Order No. 3 is for the higher cost of water meters than originally estimated by the City of Fulshear. The Board determined that Change Order No. 3 is beneficial to the District. Mr. Sweitzer next reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$26,226.45, submitted by PGS.

Mr. Sweitzer updated the Board on the status of the landscape development of Fulbrook on Fulshear Creek, Section 6. He reported that the irrigation water meters have been installed and landscape planting is near completion.

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, including the repairs to the damaged portion of the District's greenway enhancements perimeter walls along Southpoint Way and Creekbend Drive.

Mr. Sweitzer updated the Board on the status of the paver repairs at the roundabout on Fulshear Trace.

Following review and discussion, and based on the landscape architect's recommendation, Director Verburg moved to (1) approve the landscape architect's report; (2) approve Change Order No. 3 to increase the contract in the amount of \$6,000.00, submitted by PGS, based on the Board's determination that the Change Order is beneficial to the District; and (3) approve Pay Estimate No. 3 in the amount of \$26,226.45, submitted by PGS. Director Catchings 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 discussed correspondence received regarding replacing sod from hog damage along Lodge Lake Drive. Following discussion, the Board concurred to have Glamco proceed with replacing the sod, as previously authorized by the Board.

The Board reviewed correspondence from a resident on Farm Hill Way requesting quarterly mowing adjacent to Lots 1, 2, and 3 in Section 9 of Fulbrook on Fulshear Creek, a copy of which is attached. Following discussion, the Board concurred to make no changes to the previously approved maintenance proposal with Glamco performing maintenance necessary for the District's drainage facilities.

The Board reviewed correspondence from the Fulbrook on Fulshear Creek Community Association regarding a homeowner cutting and treating trees on District property behind Wild Garden Way Court, a copy of which is attached. Following discussion, the Board concurred to authorize ABHR to send correspondence to the resident.

REPORT ON DEVELOPMENT

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

ATTORNEY'S REPORT

Ms. Carner reviewed and presented an invitation to attend a Special Purpose District dinner with Commissioner Vincent Morales on April 24, 2023.

CITY OF FULSHEAR MATTERS

There was no discussion on this agenda item.

COMMENTS FROM THE PUBLIC

Director Gnospelius informed the Board of a vehicle accident that occurred off of James Lane and FM 1093 at the end of February.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 557.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board convened in Executive Session at 1:19 p.m. pursuant to Section 551.071 of the Texas Government Code to conduct a private consultation with their attorney to discuss pending or contemplated litigation or a settlement offer. Ms. Carner, Ms. Polk, Ms. Shepherd, and Mr. Khoshakhlagh also were present. Ms. Carner requested the presence of Ms. Shepherd and Mr. Khoshakhlagh in this Executive Session in order for the Board to obtain the necessary legal advice from its attorney, and the Board concurred to have them present.

Directors Gnospelius left the meeting at 1:45 p.m.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 1:57 p.m. and Director Baker left the meeting.

ENGINEERING MATTERS CONT'D


The Board discussed construction of the mass grading and regional detention/amenity pond. Following review and discussion, Director Catchings moved to authorize Costello to proceed with the design of option 3 for the Fulshear Creek outfall. Director Verburg seconded the motion, which passed by a vote of 3-0, with Directors Gnospelius and Baker absent from voting.

The Board discussed the Briggs matter. Following review and discussion, Director Catchings moved to reject the proposed settlement agreement and the request for an

injunction, as discussed. Director Verburg seconded the motion, which passed by a vote of 3-0 with Directors Gnospelius and Baker absent from voting.

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




~~Secretary, Board of Directors~~
Vice President

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Correspondence from resident regarding leaf cutter ants.....	1
Bookkeeper’s report.....	3
Tax assessor/collector’s report	3
Engineer’s report.....	3
Correspondence from the Fulbrook on Fulshear Creek Community Association regarding unauthorized District property access	5
Landscape architect’s report.....	6
Correspondence from a resident regarding landscape maintenance.....	7
Correspondence from the Fulbrook on Fulshear Creek Community Association regarding trees on District property	7