

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

April 26, 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 26th day of April, 2023, at The Lodge Welcome Center, 5005 Lodge Lake Drive, Fulshear, Texas, inside 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 Director Catchings, 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. ("MCI"); Shammari Leon of Bob Leared Interests; Dave Cannon of Trend Development, Inc.; Julie Peak of Masterson Advisors, LLC; Katie Carner, Alex Manautou, and Shammara Polk of Allen Boone Humphries Robinson LLP ("ABHR"); and residents of the District as shown on the attached list.

COMMENTS FROM THE PUBLIC

Mr. Claytor addressed the Board regarding erosion repairs adjacent to Streamside Trail and concerns regarding residents unauthorized use of District property. Ms. Carner advised that the District's Rules and Regulations state residents are not allowed to modify District property, including clearing, applying pesticides/herbicides, or any other modification. She stated the Streamside Trail erosion issue would be discussed under the engineer's report.

Mr. Fryhofer addressed the Board regarding requested additional landscape maintenance behind Fulbrook on Fulshear Creek Section 9, Lots 1, 2, and 3. He also inquired about the developer's plans to maintain the areas west of Section 9, Lots 1, 2, and 3 and South of Section 9, Lot 1. Mr. Cannon stated he does not have a maintenance plan for that area because it is owned by the District.

Mr. Eftekhari addressed the Board regarding requested additional landscape maintenance behind Fulbrook on Fulshear Creek Section 9, Lot 3 and presented photographs to the Board for review, copies of which are attached. Director Tueting

stated the Board previously approved a proposal for maintenance necessary for the District's drainage facilities.

Mr. Mausner addressed the Board regarding replacing sod from hog damage along Lodge Lake Drive. He inquired as to the timeline for the completion of this project. Ms. Carner stated the issues would be addressed under the landscape maintenance item.

MINUTES

The Board considered approving the minutes of the March 22, 2023, regular meeting. Following review and discussion, Director Verburg moved to approve the minutes of the March 22, 2023, regular meeting, as presented. Director Gnospelius seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

AUTHORIZE AUDITOR TO CONDUCT OF AUDIT FOR FISCAL YEAR END APRIL 30, 2023

The Board reviewed an audit continuance letter from McCall Gibson Swedlund Barfoot PLLC ("McCall") reflecting an estimated fee range of \$12,000 to \$14,000 (excluding incidental administrative expenses) to prepare the District's annual audit for the fiscal year ending April 30, 2023. A copy of the continuance letter is attached. After review and discussion, Director Tueting moved to authorize McCall to conduct the audit for fiscal year end April 30, 2023. 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 the proposed budget for the fiscal year ending April 30, 2024, a copy of which is included in the bookkeeper's report. Following discussion, the Board directed MCI to increase the engineering budget, as discussed. Ms. Peak discussed the District's tax rate and the draft budget. She requested authorization to investigate potential bond issues for this year. Following discussion, the Board concurred to authorize preparation of a draft financing plan for this year for presentation to the Board.

Following review and discussion, Director Tueting moved to (1) approve the bookkeeper's report and payment of the bills; and (2) approve the budget for the fiscal

year ending April 30, 2024, amended as discussed. Director Gnospelius 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 98.5% collected as of March 31, 2023.

Ms. Leon discussed a resident's request to have the penalty and interest associated with the delinquent payment of their property taxes waived due to a clerical error by the Fort Bend Central Appraisal District ("FBCAD") in which their address was entered incorrectly. Ms. Carner stated that the Texas Property Tax Code allows the District to waive fees and penalties for late payment of property taxes for FBCAD address errors like this situation.

Ms. Leon stated that the District's 2023 preliminary assessed value is approximately \$495 million.

Following review and discussion, Director Tueting moved to (1) approve the tax assessor/collector's report and payment of the tax bills; and (2) approve the waiver of the penalty and interest fees for 4938 Bent Tree Drive and 5115 Lone Tree Drive, due to the FBCAD address error. Director Gnospelius 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 on April 17, 2023, Costello met with the surety's claim consultant, Nicholson Professional Consulting ("Nicholson"), to discuss the remaining items left to complete the project. Mr. Khoshakhlagh discussed deficiencies identified in Briggs Brothers Construction Enterprises, Inc.'s ("Briggs") earlier 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.

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. He reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$504,371.70, submitted by Hurtado Construction Company ("Hurtado").

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 on April 17, 2023, Costello met with the surety's claim consultant, Nicholson, to discuss the remaining items left to complete the project. Discussion ensued.

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 on April 17, 2023, Costello met with the surety's claim consultant, Nicholson, to discuss the remaining items left to complete the project. Mr. Khoshakhlagh discussed deficiencies identified in Briggs' earlier work.

EROSION REPAIRS ADJACENT TO STREAMSIDE TRAIL

Mr. Khoshakhlagh updated the Board regarding erosion along the south bank of Fulshear Creek. He stated Costello is still investigating the matter further with their structural engineer. He stated Costello may need to consult with an environmental engineer due to nearby wetlands areas.

LEGEND CREEK INLET IMPROVEMENTS

Mr. Khoshakhlagh updated the Board regarding Legend Creek inlet improvements, as reflected in his report. He stated that Hurtado reported that two homeowners had covered the inlets with rocks, and ABHR sent letters to the homeowners requesting the rocks be removed. He also stated two inlets needed additional work performed before the inlet covers could be changed. He reviewed and recommended approval of an additional invoice in the amount of \$2,200.00, submitted by Hurtado, for the additional work to be performed before the inlet covers could be replaced. Mr. Khoshakhlagh stated all of the work should be completed this week. Following discussion, the Board directed MCI to hold check no. 4492 in the amount of \$15,193.75, payable to Hurtado, until the project is complete.

OTHER ENGINEERING MATTERS, INCLUDING RESIDENT REQUESTS

Mr. Khoshakhlagh discussed correspondence received from the Fulbrook on Fulshear Creek Community Association ("HOA") regarding a resident on South Creek Way regarding alleged drainage issues. He stated it appears a homebuilder altered the grading and created a drainage issue. Mr. Khoshakhlagh stated Costello has contacted the homebuilder and they stated they will work with the homeowner to resolve the issue.

Mr. Khoshakhlagh discussed correspondence received from CenterPoint Energy ("CenterPoint") regarding a conflict between their front lot easements and the District's sanitary sewer facilities in Fulbrook on Fulshear Creek, Section 7. He stated CenterPoint is requesting the District sign a subordination letter. Mr. Khoshakhlagh requested the Board authorize execution of the letter subject to ABHR's review and approval.

Following review and discussion, and based on the engineer's recommendation, Director Verburg moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 1 in the amount of \$504,371.70, submitted by Hurtado; (3) approve the additional invoice in the amount of \$2,200.00, submitted by Hurtado; (4) authorize execution of the subordination letter, subject to final review; and (5) direct MCI to hold check no. 4492 until the engineer confirms the inlet replacement project is complete. Director Tueting seconded the motion, which passed unanimously.

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

The Board considered accepting a Special Warranty Deed from Fulshear Land Partners, Ltd. to the District for a portion of Reserve A within Fulbrook on Fulshear Creek, Section 14 (the "Deed"). Following review and discussion, Director Tueting moved to accept the Deed and direct that the Deed be filed appropriately and retained in the District's official records. Director Gnospelius seconded the motion, which passed unanimously.

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

The Board reviewed the landscape architect's report prepared by Sweitzer & Associates (S&A), a copy of which is attached.

Ms. Carner 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 the report. She stated S&A recommends approval of Pay Estimate No. 4 in the amount of \$74,036.69, submitted by Platinum Grass Services, LTD. ("PGS").

Ms. Carner updated the Board on the status of the landscape development of Fulbrook on Fulshear Creek, Section 6, as reflected in the report. She stated S&A recommends approval of Pay Estimate Nos. 7 and 8 in the amounts of \$6,433.54 and \$1,755.00, respectively, submitted by Earth First Landscapes, LLC ("Earth First").

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 Pay Estimate No. 4 in the amount of \$74,036.69, submitted by PGS; and (3) approve Pay Estimate Nos. 7 and 8 in the amounts of \$6,433.54 and \$1,755.00, respectively, submitted by Earth First. 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 discussed correspondence from the HOA regarding a resident on West Farm Way who is requesting a tree be removed near their property. He stated he inspected the tree and the tree appeared to be healthy.

Mr. Swonke discussed complaints from residents regarding the mowing schedule and scope behind South Point Way. Following discussion, the Board concurred to make no changes to the previously approved maintenance proposal with Glamco.

Mr. Swonke informed the Board that he reached out to his maintenance crew regarding the mowing of the Fulbrook on Fulshear Creek, Section 9 reserves from the fence line to the storm sewer inlets. He stated they will ensure the maintenance is done in accordance with the approved proposal.

The Board reviewed correspondence regarding a request to cut vines on the trail adjacent to Creekside Court, a copy of which is attached. Following discussion, the Board directed Glamco to investigate the matter and bring back a recommendation to the Board.

The Board reviewed a photograph from the District property adjacent to Lakeview Bend regarding erosion caused by a resident regularly feeding ducks. A copy of the photograph is attached. Ms. Carner noted the District's rules and Regulations prohibited feeding wildlife. Following discussion, the Board directed ABHR to send a letter to the resident advising of the District's Rules and Regulations regarding the feeding of wildlife in the District.

The Board reviewed correspondence from the HOA regarding a resident's concern of a broken tree limb on District property behind Lake Hill Farm Way, a copy of which is attached. Following discussion, Mr. Swonke advised that the broken tree limb would be removed today.

The Board reviewed correspondence from the HOA regarding a resident on Lake Farm Hill Way requesting the fence behind their property be re-painted. A copy of the correspondence is attached. Following discussion, the Board directed Glamco to investigate the matter and bring a proposal to the next Board meeting if any repairs are needed.

The Board reviewed correspondence received from the HOA regarding a saturated area in Reserve A near West Farm Way. A copy of the correspondence is attached. Following discussion, the Board directed Glamco to investigate the matter and bring a proposal to the next Board meeting if any repairs are needed.

Mr. Swonke discussed correspondence received from a resident regarding a proposal for landscape maintenance of the wetlands area in Fulbrook on Fulshear Creek, Section 13. Following discussion, the Board directed Glamco to proceed with the

previously approved maintenance and to consider any changes to maintenance at a later date, as previously discussed.

REPORT ON DEVELOPMENT

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

ATTORNEY'S REPORT

There was no discussion on this agenda item.

CITY OF FULSHEAR MATTERS

There was no discussion on this agenda item.

COMMENTS FROM THE PUBLIC

Ms. Fryhofer addressed the Board regarding the requested additional landscape maintenance behind Fulbrook on Fulshear Creek Section 9 Lots 1, 2, and 3. She requested that the board ask home builders to inform potential buyers regarding future development and maintenance plans for property around specific lots.

Mr. Degner addressed the Board regarding silting in the pond across from Lodge Lake Drive. He inquired as to what options are available to rectify this issue and if the District could request those contributing to the issue to assist in paying for the remediation.

Director Baker left the meeting.

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 1:54 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. Manautou, Ms. Polk, and Mr. Khoshakhlagh also were present. Ms. Carner requested the presence of 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 him present.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 2:12 p.m.

ENGINEERING MATTERS (CONT'D)

The Board discussed the Briggs matter. Following review and discussion, Director Gnospelius moved to authorize Director Tueting to execute the tender agreements subject to final review with the parameters, as discussed. Director Verburg seconded the motion, which passed by a vote of 3-0, with Director Baker absent from the meeting.

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




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Sign in list.....	1
Photographs regarding landscape maintenace	1
Audit continuance letter	2
Bookkeeper’s report.....	2
Tax assessor/collector’s report	3
Engineer’s report.....	3
Landscape architect’s report.....	6
Correspondence from a resident regarding the cutting of vines	7
Photograph regarding the feeding of ducks	7
Correspondence from the HOA regarding a broken tree limb.....	7
Correspondence from the HOA regarding a resident’s request for the painting of fence	7
Correspondence from the HOA regarding an oversaturated area.....	7