

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

May 24, 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 24th day of May, 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
William K. White	Assistant Secretary / Asst. Vice President
Todd Gnospelius	Assistant Secretary / Asst. Vice President

and all of the above were present except Director Baker, thus constituting a quorum.

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

COMMENTS FROM THE PUBLIC

Ms. Collins addressed the Board regarding erosion concerns behind her property on Legend Creek Drive. Ms. Carner stated that the erosion issue would be discussed under agenda item no. 11.

Mr. Barnes addressed the Board regarding an undeveloped area on the north side of Parkside Passage Drive. Mr. Sweitzer provided an update regarding the status of the construction of the Fulbrook on Fulshear Creek Community Association (the "HOA") recreation center. Mr. Khoshakhlagh addressed drainage issues on the tract.

2023 DIRECTORS ELECTION

The Board considered approving a Certificate of Election, reflecting the election of John Verburg and Kevin White to the Board of Directors of the District, each for a four-year term.

The Board next considered approving the Sworn Statements, Oaths of Office for Directors Verburg and White, and the Official Bond for Director White.

Following review and discussion, Director Catchings moved to (1) approve the Certificate of Election and the distribution of same to Directors Verburg and White and direct that the Certificate of Election be filed appropriately and retained in the District's official records; (2) approve the Sworn Statements and Oaths of Office and direct that the documents be filed in the official records of the District, and that the Oaths of Office be filed with the Secretary of State, as required by law; and (3) approve the Official Bond for Director White and direct that the document be filed in the official records of the District. Director Gnospelius seconded the motion, which passed by a vote of 3-0, with Directors Tueting and Verburg absent from the meeting.

REORGANIZE THE BOARD AND ELECT OFFICERS

The Board considered reorganizing the Board. Following discussion, the Board concurred to appoint Director White as Assistant Secretary/ Assistant Vice President.

Director Verburg entered the meeting.

AUTHORIZE FILING OF DISTRICT REGISTRATION FORM

The Board considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the terms and offices of the newly elected directors. Following review and discussion, Director Gnospelius moved to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director White seconded the motion, which passed by a vote of 4-0, with Director Tueting absent from the meeting.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Carner reviewed a memorandum regarding the Texas Open Meetings Act and Public Information Act training requirements for Directors. Ms. Carner encouraged Director White to receive his training as soon as possible and forward his certificate of completion to ABHR for inclusion in the District's permanent records.

CONFLICT OF INTEREST DISCLOSURES

Ms. Carner next reviewed Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest. Ms. Carner reviewed with the Board the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted that the forms are required to be filed

with the records administrator for the District. Ms. Carner encouraged Mr. White to contact ABHR if assistance is needed in determining whether a conflict requires disclosure or in making a required disclosure.

MINUTES

The Board considered approving the minutes of the April 26, 2023, regular meeting. Following review and discussion, Director Gnospelius moved to approve the minutes of the April 26, 2023, regular meeting, as presented. Director Verburg seconded the motion, which passed by a vote of 4-0, with Director Tueting absent from the meeting.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

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.

Director Catchings discussed the debt service schedule (the "schedule") in the bookkeeper's report and requested MCI update the schedule to reflect what has been paid going forward.

The Board reviewed the District's Travel Reimbursement Guidelines in anticipation of the Association of Water Board Directors summer conference.

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 by a vote of 4-0, with Director Tueting absent from the meeting.

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 99% collected as of April 30, 2023.

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 by a vote of 4-0, with Director Tueting absent from the meeting.

ENGINEERING MATTERS

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

FULBROOK ON FULSHEAR CREEK, SECTION 11 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 11, as reflected in his report.

FULBROOK ON FULSHEAR CREEK, SECTION 11 PAVING FACILITIES

Mr. Khoshakhlagh updated the Board on the status of construction of the paving facilities to serve Fulbrook on Fulshear Creek, Section 11, as reflected in his report.

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 Costello is assisting with the review of the tender agreements (the "Agreements") by all parties. Mr. Khoshakhlagh further advised that Costello has directed Hurtado Construction Company ("Hurtado") to proceed with material ordering, so the Notice to Proceed can be issued upon execution of the Agreements.

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. 2 in the amount of \$190,565.24, submitted by Hurtado and the final quantity adjustment deduction in the amount of \$1,319.44.

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 Costello is assisting with the review of the Agreements by all parties. Mr. Khoshakhlagh further advised that Costello has directed Hurtado to proceed with material ordering, so the Notice to Proceed can be issued upon execution of the Agreements.

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. He reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$470,894.60, submitted by Hurtado and the final quantity adjustment deduction in the amount of \$2,250.00.

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 Costello is assisting with the review of the Agreements by all parties. Mr. Khoshakhlagh further advised that Costello has directed Hurtado to proceed with material ordering, so the Notice to Proceed can be issued upon execution of the Agreements.

EROSION REPAIRS ADJACENT TO STREAMSIDE TRAIL

Mr. Khoshakhlagh updated the Board regarding erosion along the south bank of Fulshear Creek. He reviewed and presented a probable cost estimate and layout showing the proposed work. A copy of which is included in the engineer's report. Following discussion, the Board concurred to authorize Costello and ABHR to initiate work on a Natural Resource Conservation Service ("NRCS") grant application and directed Costello to include any additional erosion repair projects and to provide an updated probable cost estimate at the next Board meeting.

OTHER ENGINEERING MATTERS, INCLUDING RESIDENT REQUESTS

Mr. Khoshakhlagh discussed correspondence received from a resident on Legend Creek Drive regarding a sinkhole behind their fence. Following discussion, the Board directed Costello to look into the cost for repairs and to have Glamco install a fence or other appropriate barrier in an amount not to exceed \$2,000.00 to temporarily secure the area. The Board further directed Costello to

walk Legend Creek Drive to ensure any additional sinkholes or areas of erosion are included in the NRCS grant request.

Mr. Khoshakhlagh updated the Board regarding 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 Costello received the subordination letter from CenterPoint late last month, which was executed by Director Tueting, as authorized at the last meeting, and forwarded to CenterPoint.

Ms. Peak discussed the latest 2023 preliminary values from the Fort Bend Central Appraisal District and a potential road bond issue in the 3rd or 4th quarter. Mr. Khoshakhlagh reviewed and requested approval of a proposal from Costello for the preparation of the District's road bond issue in an amount not to exceed \$15,000.00.

Mr. Khoshakhlagh discussed the City of Fulshear (the "City") requesting a park land contribution in lieu of park fee credit from Fulshear Land Partners, Ltd. ("FLP"). Following discussion, the Board directed Costello and FLP to follow up with the City to get more information.

Mr. Khoshakhlagh discussed correspondence received from a resident on Crest View Terrace alleging their wrought iron fence was located inside the actual property line. A copy of the correspondence is attached. Following discussion, Mr. Khoshakhlagh stated Costello will perform a survey to confirm the property line.

Director Verburg discussed the removal of a deteriorating fence that separates the District and Fulshear Municipal Utility District No. 2 ("Fulshear MUD No.2"). Following Discussion, Mr. Cannon stated that the fence does not belong to the District and that FLP is working with Fulshear MUD No. 2's engineer to get the fence removed.

Director Tueting entered the meeting.

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. 2 in the amount of \$190,565.24, submitted by Hurtado and the final quantity adjustment deduction in the amount of \$1,319.44; (3) approve Pay Estimate No. 1 in the amount of \$470,894.60, submitted by Hurtado and the final quantity adjustment in the amount of \$2,250.00; (4) approve the proposal in an amount not to exceed \$15,000.00 for the preparation of the District's road bond issue; and (5) approve the installation of temporary fencing behind Legend Creek Drive in an amount not to exceed \$2,000.00. Director Catchings seconded the motion, which passed by a vote of 4 to 0 ,with Director Tueting abstaining from voting.

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 reviewed and recommended approval of Pay Estimate No. 5 in the amount of \$10,037.41, submitted by Platinum Grass Services, LTD. ("PGS").

Mr. Sweitzer updated the Board on the status of the landscape development of Fulbrook on Fulshear Creek, Section 6, as reflected in the report.

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. He reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$23,000, submitted by Impressions in Concrete, Inc. ("Impressions").

Following review and discussion, and based on the landscape architect's recommendation, Director Catchings moved to (1) approve the landscape architect's report; (2) approve Pay Estimate No. 5 in the amount of \$10,037.41, submitted by PGS; and (3) approve Pay Estimate No. 1 in the amount of \$23,000, submitted by Impressions. 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 updated the Board regarding the repairs to the hog damaged area behind Lodge Lake Drive. He stated the work is complete and the resident expressed satisfaction with the result.

The Board reviewed photographs of unauthorized use of District property along Streamside Trail, Watershed Way, and Creekside Court, copies of which are attached. Following discussion, the Board directed ABHR to send correspondence to all District residents that back up to the District's property on the three streets previously mentioned advising encroachments are not allowed on the District's property and requesting removal of all encroachments and restoration of the District's property. The Board also requested that Ms. Carner submit the District's encroachment policy to the HOA for e-mail distribution to the residents.

The Board reviewed correspondence from the HOA regarding a resident on Spanish Moss Crossing requesting trees and vines behind their property be removed. A copy of the correspondence is attached. Following discussion, the Board directed Glamco to investigate the matter and bring back a recommendation to the Board.

The Board reviewed correspondence from the HOA regarding a resident requesting the vines on the trees adjacent to the bridge on Spanish Moss Crossing be removed. A copy of the correspondence is attached. Following discussion, the Board directed Glamco to investigate the matter and bring back a recommendation to the Board.

The Board reviewed correspondence from a resident on Southpoint Way requesting the Board consider maintaining the area beyond the 5 feet that is currently maintained. A copy of the correspondence is attached. Following discussion, the Board concurred to continue with the current maintenance schedule.

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

There were no comments from the public.


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 1:14 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 1:34 p.m. and took no action.

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


Secretary, Board of Directors



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