

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

July 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 July, 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 Directors Tueting and Verburg, thus constituting a quorum.

Also present at the meeting in person or via telephone conference were Don Fryhofer and Richard Tang, residents of the District; Adam Swonke of Gleannloch Landscaping & Maintenance Company ("Glamco"); Akquan Williams of Costello, Inc. ("Costello"); Bill Sweitzer of Sweitzer & Associates; Marissa Iguess of Myrtle Cruz, Inc.; Shammarie Leon of Bob Leared Interests; Dave Cannon of Trend Development, Inc.; Christine Crotwell of Masterson Advisors LLC; Josh Rambo of Gibson Swedlund Barfoot PLLC ("McCall"); and Hannah Brook and Shammara Polk of Allen Boone Humphries Robinson LLP ("ABHR").

COMMENTS FROM THE PUBLIC

Mr. Fryhofer addressed the Board regarding requested additional landscape maintenance behind Fulbrook on Fulshear Creek Section 9, Lot 1 and presented a letter and photographs to the Board for review, copies of which are attached. The Board informed Mr. Fryhofer the documentation presented will be reviewed and his request will be taken into consideration.

MINUTES

The Board considered approving the minutes of the June 28, 2023, regular meeting. Following review and discussion, Director Catchings moved to approve the minutes of the June 28, 2023, regular meeting, as presented. Director White seconded the motion, which passed unanimously.

## APPROVE AUDIT FOR FISCAL YEAR END APRIL 30, 2023

Mr. Rambo reviewed a draft audit report for the fiscal year ending April 30, 2023. Following review and discussion, Director Catchings moved to approve the audit report, subject to final review, and direct that the audit report be filed appropriately and retained in the District's official records. Director White seconded the motion, which passed unanimously.

## DISTRICT WEBSITE MATTERS

Director Catchings discussed water conservation matters and requested a notice be added to the District website regarding the City of Fulshear (the "City") moving to Stage 1 of water conservation measures. Ms. Brook advised that ABHR will coordinate with the District website provider regarding this matter.

## 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. Brook stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. She noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00, and going forward, the maximum amount automatically will be indexed for inflation.

The Board then considered adopting a Resolution Establishing Director Fees of Office and District Reimbursement Policy to reflect that directors' fees of office shall be paid at the maximum rate allowed by law, noting that this would replace the previously adopted Resolution.

Following review and discussion, Director Catchings moved to (1) approve the bookkeeper's report and payment of the bills; and (2) adopt a Resolution Establishing Director Fees of Office and District Reimbursement Policy effective July 1, 2023 and direct that the Resolution be filed appropriately and retained in the District's official records. Director White 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 99.67% collected as of June 30, 2023.

Following review and discussion, Director Catchings moved to approve the tax assessor/collector's report and payment of the tax bills. Director White seconded the motion, which passed unanimously.

#### DISCUSSION OF DEVELOPMENT STATUS FOR 2023 TAX YEAR

Ms. Brook discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2023 tax year.

Following review and discussion, Director Catchings moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developing District for the 2023 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director White seconded the motion, which passed unanimously.

#### SERIES 2023 UNLIMITED TAX ROAD BONDS ("SERIES 2023 ROAD BONDS")

Mr. Williams reviewed a preliminary cost summary for the District's potential issuance and sale of the Series 2023 Road Bonds.

The Board considered authorizing the preparation of the Preliminary Official Statement and Official Notice of Sale for the proposed Series 2023 Road Bonds.

Ms. Crotwell informed the Board that the tax assessor/collector has requested an estimate of value as of July 1, 2023 from Fort Bend Central Appraisal District, in connection with the Series 2023 Road Bonds.

The Board considered authorizing McCall to prepare a developer reimbursement report in connection with the Series 2023 Road Bonds.

Following review and discussion, Director Catchings moved to (1) approve the preliminary cost summary for the Series 2023 Road Bonds; (2) authorize the preparation of Preliminary Official Statement and Official Notice of Sale for the Series 2023 Road Bonds; and (3) authorize McCall to prepare the developer reimbursement report in connection with the Series 2023 Road Bonds. Director White seconded the motion, which passed unanimously.

## ENGINEERING MATTERS

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

### FULBROOK ON FULSHEAR CREEK, SECTION 11 WATER, SEWER, AND DRAINAGE FACILITIES

Mr. Williams 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. Williams 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. Williams 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 reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$275,133.35, submitted by Hurtado Construction Company ("Hurtado").

### FULBROOK ON FULSHEAR CREEK, SECTION 17 PAVING FACILITIES

Mr. Williams 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. He reviewed and recommended approval of the Final Quantity Adjustment No. 2 an increase in the amount of \$5,000.00 for construction mats, which was inadvertently left out when the original Final Quantity Adjustment was prepared.

### FULBROOK ON FULSHEAR CREEK, SECTION 18 WATER, SEWER, AND DRAINAGE FACILITIES

Mr. Williams 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. He reviewed and recommended approval of Pay Estimate No. 5 in the amount of \$45,780.59, submitted by Blazey Construction Services, LLC ("Blazey").



### FULBROOK ON FULSHEAR CREEK, SECTION 18 PAVING FACILITIES

Mr. Williams 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. 3 and Final in the amount of \$115,965.56, submitted by Hurtado.

### FULBROOK ON FULSHEAR CREEK, SECTION 19 WATER, SEWER, AND DRAINAGE FACILITIES

Mr. Williams 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 reviewed and recommended approval of Pay Estimate No. 1 and Final in the amount of \$211,751.42, submitted by Hurtado.

### FULBROOK ON FULSHEAR CREEK, SECTION 19 PAVING FACILITIES

Mr. Williams 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. 2 and Final in the amount of \$280,939.32, submitted by Hurtado.

### MASS GRADING AND REGIONAL DETENTION/AMENITY POND

Mr. Williams updated the Board on the status of construction of the mass grading and regional detention/amenity pond, as reflected in his report. He reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$318,891.00 and Change Order No. 1 to increase the contract in the amount of \$87,863.00, submitted by Hurtado. Mr. Williams stated that Change order No. 1 is for desilting the storm sewer system. The Board determined that Change Order No. 1 is beneficial to the District. Mr. Williams stated the District's direct funding share of Pay Estimate No. 1 is \$79,076.70.

### EROSION PROTECTION ALONG FULSHEAR CREEK SOUTH BANK

Mr. Williams updated the Board regarding erosion along the south bank of Fulshear Creek, as reflected in his report.

### OTHER ENGINEERING MATTERS, INCLUDING RESIDENT REQUESTS

Mr. Williams updated the Board regarding the City requesting a park land contribution in lieu of park fee credit from Fulshear Land Partners, Ltd. ("FLP"), as reflected in his report. He stated Costello is preparing the metes and bounds description for the southern park reserves, as previously authorized.

Mr. Williams updated the Board regarding discussion last month regarding the Fulshear Trace Turnaround, as reflected in his report. Following discussion, the Board concurred to move forward with the closure.

Following review and discussion, and based on the engineer's recommendation, Director Catchings moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 1 in the amount of \$275,133.35, submitted by Hurtado; (3) approve the Final Quantity Adjustment No. 2 in the amount of \$5,000.00; (4) approve Pay Estimate No. 5 in the amount of \$45,780.59, submitted by Blazey; (5) approve Pay Estimate No. 3 and Final in the amount of \$115,965.56, submitted by Hurtado; (6) approve Pay Estimate No. 1 and Final in the amount of \$211,751.42, submitted by Hurtado; (7) approve Pay Estimate No. 2 and Final in the amount of \$280,939.32, submitted by Hurtado; (8) approve Pay Estimate No. 1 in the amount of \$318,891.00, submitted by Hurtado; (9) approve Change Order No. 1 to increase the contract in the amount of \$87,863.00, submitted by Hurtado, based on the Board's determination that the Change Order is beneficial to the District; and (10) authorize Hurtado to close the Fulshear Trace Turnaround, as discussed. Director Gnospelius seconded the motion, which passed unanimously.

#### 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

Ms. Brook informed the Board that ABHR has sent the Utility Conveyance and Security Agreements for Fulbrook on Fulshear Creek, Sections 18 and 19 to the City for approval.

#### 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. 6 in the amount of \$2,250.00, 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. Director White inquired about the timeline for receiving bids for this project. Mr. Sweitzer advised that all bids should be received by Monday of next week.

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. 2 in the amount of \$5,000.00, submitted by Conrad Construction Co. LTD ("Conrad") for completion of the project. Mr. Sweitzer stated the check can be held for payment and released upon final acceptance of the project. Director Gnospelius requested Mr. Sweitzer provide more substantive back-up to the invoices for the District's records.

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. 6 in the amount of \$2,250.00, submitted by PGS; and (3) approve Pay Estimate No. 2 in the amount of \$5,000.00, submitted by Conrad, subject to final acceptance of the project. Director White seconded the motion, which passed unanimously.

#### MOWING AND MAINTENANCE OF DISTRICT PROPERTY

Mr. Swonke updated the Board on mowing and maintenance in the District.

The Board next reviewed and discussed resident requests.

The Board continued discussion from last month regarding correspondence from a resident on Wild Garden Way requesting the investigation of drainage concerns. Mr. Swonke stated he will need to check the grading to determine all areas that need to be cleaned. He stated he will bring a proposal to the next Board meeting.

The Board continued discussion from last month regarding correspondence from a resident on South Creek Way requesting treatment of leaf cutter ants. Mr. Swonke stated the treatment has been applied.

The Board continued discussion from last month regarding correspondence from a resident on West Farm Way requesting the District address drainage of a low spot next to the resident's property. Mr. Swonke stated the area was retaining water due to a broken rotor and the rotor has been repaired. He advised that the area does have a low spot and it will retain some water.

The Board continued discussion from last month regarding correspondence received from a resident on Creekside Court requesting the treatment of harvester ants. Mr. Swonke stated the treatment has been applied.

The Board continued discussion from last month regarding correspondence from a resident on Lake Hill Farm Way requesting the District paint the fence that lines the creek/old trail. Mr. Swonke reviewed and presented a proposal in the amount of \$1,575.00 to pressure wash and repaint the fence. A copy of the proposal is attached.

The Board continued discussion from last month regarding correspondence from a resident on Spanish Moss Crossing requesting dead trees and grape vines be removed from behind their property. Mr. Swonke stated the branches overhanging on the bridge have been trimmed back and additional trimming and removal of the dead trees will be done in approximately two weeks.

The Board continued discussion from last month regarding correspondence from a resident on South Creek Way requesting the removal of vines on trees at the Spanish Moss bridge. Mr. Swonke stated the branches overhanging on the bridge have been trimmed back.

The Board continued discussion from last month regarding correspondence from a resident on Legend Creek Drive requesting repair of a sinkhole behind their residence. Mr. Swonke stated that fencing around the area has not yet been installed.

The Board reviewed correspondence from a resident on Lake Hill Farm Way requesting the removal of a dead tree behind their residence. A copy of the correspondence is attached. Mr. Swonke stated the tree will be removed in approximately two weeks.

Ms. Brook informed the Board of correspondence received from a resident on Farm Hill way requesting that a water leak at a water meter across from the residence be investigated. Ms. Brook informed the Board that Mr. Sweitzer confirmed that the leak was caused by a faulty meter installation and the leak was repaired.

The Board reviewed correspondence from a resident on Creek Side Court requesting the treatment of harvester ants. A copy of the correspondence is attached. Mr. Swonke stated the treatment has been applied.

The Board discussed correspondence from a resident requesting the removal of a downed tree on the Spanish Moss Crossing bridge. Mr. Swonke stated the tree will be removed in approximately two weeks.



Following review and discussion, Director Catchings moved to approve the proposal for pressure washing and repainting the fence behind Lake Hill Farm Way in the amount of \$1,575.00, submitted by Glamco. Director White seconded the motion, which passed unanimously.

#### REPORT ON DEVELOPMENT

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

#### ATTORNEY'S REPORT

Ms. Brook reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. She said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing the execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Ms. Brook explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Fort Bend County and with the Texas Commission on Environmental Quality ("TCEQ"). Following review and discussion, Director Catchings moved to authorize execution of the Amendment to Information Form and to authorize filing with Fort Bend County and the TCEQ. Director White seconded the motion, which passed unanimously.

Ms. Brook reviewed a report prepared by ABHR regarding legislative matters pertaining to the 88th Regular Session of the Texas Legislature.

#### CITY OF FULSHEAR MATTERS

There was no discussion on this agenda item.

#### COMMENTS FROM THE PUBLIC CONT'D

There were no additional 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 did not convene in Executive Session.

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>
Letter and photographs regarding landscape maintenace .....	1
Bookkeeper's report.....	2
Tax assessor/collector's report .....	2
Engineer's report.....	4
Landscape architect's report.....	6
Glamco proposal for painting of fence .....	8
Correspondence from a resident regarding removal of dead tree .....	8
Correspondence from a resident regarding treatment of harvester ants .....	8