

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

July 27, 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 27th day of July, 2022, 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 telephone conference were: Donald and Jacqui Fryhofer, Pam Clements, Diane Bourgeois, and Debbie Mitchell, residents of the District; Alex Khoshakhlagh of Costello, Inc. ("Costello"); Marissa Iguess of Myrtle Cruz, Inc. ("MC"); Shammarie Leon of Bob Leared Interests; Bill Sweitzer of Sweitzer & Associates ("S&A"); Adam Swonke of Gleannloch Landscaping & Maintenance Company ("Glamco"); Dave Cannon of Trend Development, Inc.; and Katie Carner, Alex Manautou, and Melissa Padilla of Allen Boone Humphries Robinson LLP ("ABHR").

COMMENTS FROM THE PUBLIC

Ms. Clements addressed the Board regarding concerns related to soil cracking and erosion on District property adjacent to her property on Lakeview Bend. She also reported concerns related to the condition of her fencing. Ms. Carner stated that Mr. Khoshakhlagh will address this matter under the engineering report.

Mr. Fryhofer addressed the Board regarding concerns relating to the clearing and maintenance of District property behind his residence and provided documentation regarding the same, a copy of which is attached. He inquired about the upkeep and removal of the silt fencing on the District's property and the mowing and maintenance of District property.

MOWING AND MAINTENANCE OF DISTRICT PROPERTY

In response to the public comments from Mr. Fryhofer, Mr. Khoshakhlagh explained the purpose of the silt fencing and estimated timetable for removal of same. Mr. Fryhofer inquired about the mowing schedule for the District's property. Mr. Swonke stated that once the District begins maintenance of the area, the mowing schedule will be for a certain number of visits per year, and the timing and number of visits will depend on the type of mowing, the season, and the weather.

Discussion ensued regarding the wetland areas behind the Fryhofer residence. Mr. Khoshakhlagh and Ms. Carner stated that the wetland areas are federally protected and discussed limitations on District activities in those areas.

PUBLIC COMMENTS (CONTINUED)

Ms. Bourgeois stated she had the same concerns regarding cracked soil, erosion, and fencing as Ms. Clements.

There being no additional members of the public who wished to address the Board, the Board closed public comments.

MINUTES

The Board considered approving the regular meeting minutes of June 30, 2022. After review and discussion, Director Catchings moved to approve the regular meeting minutes of June 30, 2022, as presented. Director Verburg seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

The Board requested ABHR coordinate with the District's webmaster to add a link to the City of Fulshear's Drought Contingency Plan.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND ATTENDANCE AT WINTER CONFERENCE

The Board discussed the AWBD summer conference and attendance at the fall seminar.

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. Following review and discussion, Director

Catchings moved to approve the bookkeeper's report and payment of the bills. Director Gnospelius seconded the motion, which passed by unanimous vote.

Ms. Iguess reviewed an Amended and Restated Agreement for Bookkeeping Services. Following review and discussion, Director Catchings moved to approve the Amended and Restated Agreement for Bookkeeping Services and direct that the Agreement be filed appropriately and retained in the District's official records. 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. She stated that the District's 2021 taxes are 99.81% collected as of June 30, 2022.

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

Ms. Leon presented a letter from a resident regarding a request for a waiver of penalties and interest on delinquent taxes, a copy of which is attached. The resident stated he believes he found a receipt online displaying full payment of the property taxes by the title company. Ms. Leon stated that the receipt was not for the resident's property taxes and requested the resident provide a receipt directly from the title company. She stated the resident has not provided the requested receipt. Discussion ensued regarding the Tax Code provisions related to waiver requests. Following review and discussion, the Board concurred to deny the resident's request, unless the resident provides direct proof of payment from their title company.

DISCUSSION OF DEVELOPMENT STATUS FOR 2022 TAX YEAR

Ms. Carner 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 2022 tax year.

Following review and discussion, Director Catchings moved adopt a Resolution Regarding Development Status for 2022 Tax Year establishing the District as a Developing District for the 2022 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 Verberg 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 7 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 7, as reflected in his report. He reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$412,884.94, submitted by Hurtado Construction ("Hurtado").

FULBROOK ON FULSHEAR CREEK, SECTION 7 PAVING FACILITIES

Mr. Khoshakhlagh updated the Board on the status of construction of the paving facilities to serve Fulbrook on Fulshear Creek, Section 7, as reflected in his report.

FULBROOK ON FULSHEAR CREEK, SECTION 11

Mr. Khoshakhlagh updated the Board on the status of design of the water, sewer, drainage, and paving facilities to serve Fulbrook on Fulshear Creek, Section 11, as reflected in his report. He updated the Board regarding discussions with the City of Fulshear (the "City") regarding access to the proposed water plant site located within the section.

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 reviewed Pay Estimate No. 1 in the amount of \$342,962.10, submitted by Briggs Brothers Enterprises Corporation ("Briggs"). Mr. Khoshakhlagh recommended approval of Pay Estimate No. 1.

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.

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/ AMENITY POND

Mr. Khoshakhlagh updated the Board on the status of construction of the mass grading and regional detention/amenity pond. He reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$280,384.20, submitted by Briggs.

DETENTION POND TO SERVE THE COMMERCIAL TRACTS

Mr. Khoshakhlagh updated the Board on the status of construction of the detention pond to serve the commercial tracts, as reflected in his report.

PARKSIDE PASSAGE DRIVE RECREATION CENTER

Mr. Khoshakhlagh updated the Board on the status of the water, sewer, drainage, and paving facilities to serve the Parkside Passage Drive Recreation Center. He stated he has provided the plans to S&A.

PROPOSAL FOR AERIAL PHOTOGRAPHY OF THE DISTRICT

Mr. Khoshakhlagh presented a proposal in the amount of \$700.00 for an updated District map, payable to Aerial Imaging.net ("Aerial"). He stated he recommended approval of the proposal but suggested the Board direct Aerial to wait until September or October to prepare the new map.

OTHER ENGINEERING MATTERS

Mr. Khoshakhlagh updated the Board regarding the previously discussed resident request for the installation of turf and temporary irrigation behind Nodding Thistle Trail. He noted the Board deferred action on this item until fall.

Mr. Khoshakhlagh discussed the public comments from Ms. Clements and presented emails from residents regarding their concerns about the drought-induced soil cracks adjacent to their residences, copies of which are attached. He recommended that residents keep the soil on their property moist and suggested the Board consider any necessary regrading and seeding and/or sodding in the fall. Mr. Khoshakhlagh further noted that the drought is a regional issue and soil cracks are a common occurrence. Discussion ensued, and the Board agreed to defer action on this item until the fall.

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 \$412,884.94, submitted by Hurtado; (3) approve Pay Estimate No. 1 in the amount of \$342,962.10, submitted by Briggs; (4) approve Pay Estimate No. 4 in the amount of \$280,384.20, submitted by Briggs; and (5) approve the proposal in the amount of \$700.00 submitted by Aerial and direct Aerial to prepare the new District map in September or October. Director Catchings seconded the motion, which passed unanimously.

EROSION REPAIRS

Mr. Khoshakhlagh stated that one bid was received for erosion repairs along Fulshear Creek, behind 4811 Legend Creek Drive and 5307 Lake Hill Farm Way. He recommended that the Board award the contract to the low bidder, Briggs, in the amount of \$36,997.00. 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.

Mr. Khoshakhlagh stated that one bid was received for erosion repairs along Fulshear Creek, behind 5423 Lake Hill Farm Way. He recommended that the Board award the contract to the low bidder, Briggs, in the amount of \$19,615.00. 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.

Mr. Khoshakhlagh stated that the homeowner at 5419 Lake Hill Farm Way is not interested in providing access for erosion repairs behind his residence. The Board discussed whether to repair the area now or to have Costello continue to monitor the area.

Following review and discussion and based on the engineer's recommendation, Director Catchings moved to (1) approve the erosion repairs along Fulshear Creek, behind 4811 Legend Creek Drive and 5307 Lake Hill Farm Way, and award the contract to the low bidder, Briggs, in the amount of \$36,997.00, subject to approval of the payment and performance bond review of the certificate of insurance and endorsements, if any, provided by the contractor; and (2) approve the erosion repairs along Fulshear Creek, behind 5423 Lake Hill Farm Way and award the contract to the low bidder, Briggs, in the amount of \$19,615.00, subject to approval of the payment and performance bonds review of the certificate of insurance and endorsements, if any, provided by the contractor. Director Gnospelius seconded the motion, which passed by a vote of 4-1, with Director Baker opposed.

Director Catchings then moved to direct Costello monitor the area behind 5419 Lake Hill Farm Way and not complete any repairs to same at this time. Director Baker seconded the motion, which passed by a vote of 3-2, with Directors Verburg and Gnospelius opposed.

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. 2 in the amount of \$25,862.88, submitted by Platinum Grass Services, Ltd. ("PGS"), which includes the previously approved Change Order in the amount of \$26,000.00.

Mr. Sweitzer updated the Board on the status of construction of the greenway enhancement perimeter walls to serve Fulbrook on Fulshear Creek, Sections 9 and 15. He reviewed and recommended approval of Pay Estimate No. 4 and final in the amount of \$6,501.42, submitted by American Wall Systems, Inc. ("AWS") and recommended that the Board accept the project. Mr. Sweitzer stated the previously approved Change Order in the amount of \$1,338.00 submitted by AWS needs to be rescinded because the project was already closed out prior to its presentation to the Board. Mr. Sweitzer presented the Change Order in the amount of \$1,338.00 to the contract with S&A for the survey work performed by the District's engineer. The Board determined that Change Order to the S&A contract is beneficial to the District.

Director Catchings left the meeting.

Mr. Sweitzer stated that bids were received for construction of the landscape development to serve Fulbrook on Fulshear Creek, Section 6. He recommended the contract be awarded to the second low bidder, Earth First Landscapes, in the amount of \$25,000.00, due to a material error in the apparent low bid from Triple E Landscape. The Board concurred that, in its judgment, Earth First 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 updated the Board on the status of construction of the greenway enhancement perimeter walls to serve Fulbrook on Fulshear Creek, Section 6, as reflected in his report. He reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$133,855.82, and Pay Estimate No. 3 and final, in the amount of \$16,219.67, submitted by AWS, and recommended that the Board accept the project.

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 the trailhead closure and remediation work.

After review and discussion, and based on the landscape architect's recommendation, Director Gnospelius moved to (1) approve the landscape architect's report; (2) approve Pay Estimate No. 2 in the amount of \$25,862.88, submitted by PGS; (3) approve Pay Estimate No. 4 and final in the amount of \$6,501.42, submitted by AWS and accept the project for maintenance; (4) rescind approval of the Change Order in the amount of \$1,338.00 to the contract with AWS; (5) approve the Change Order to increase the contract in the amount of \$1,338.00, submitted by S&A, based on the Board's

determination that the Change Order is beneficial to the District; (6) award the contract for construction of the landscape development to serve Fulbrook on Fulshear Creek, Section 6, to Earth First Landscapes, in the amount of \$302,091.00, subject to approval of the payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor; and (7) approve Pay Estimates Nos. 2 and 3 and final, in the respective amounts of \$133,855.82 and \$16,219.67, submitted by AWS and accept the project for maintenance. Director Verburg seconded the motion, which passed by unanimous vote.

MOWING AND MAINTENANCE OF DISTRICT PROPERTY

Mr. Swonke updated the Board on the status of mowing and maintenance of District property, including previously authorized repairs.

The Board reviewed resident correspondence and photos regarding downed trees behind residences on Watershed Way, a copy of which is attached. Mr. Swonke stated the tree debris and branches had been cleared off and removed.

The Board discussed the public comments at the previous meeting regarding requested additional landscape maintenance behind South Creek Way. Following discussion, the Board concurred to continue with the current maintenance plan.

The Board discussed the prior public comments requesting additional erosion control measures behind Lodge Lake Drive. Mr. Swonke noted the Board had approved a proposal for repairs to the area but directed Glamco to wait until fall to complete the work due to difficulty in establishing turf during the hot summer months. Discussion ensued regarding prior repairs to the area and subsequent hog damage.

REPORT ON DEVELOPMENT

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

ATTORNEY'S REPORT

There was no discussion on this item.

CITY MATTERS

There was no discussion on this item.

Director Gnospelius left the meeting.

REVIEW OF MASTER AGREEMENT FOR PROFESSIONAL LANDSCAPE ARCHITECTURE SERVICES WITH S&A

The Board deferred consideration of this agenda item until the next regular meeting.

PUBLIC COMMENTS (CONTINUED)

Ms. Clements stated the soil cracking is continuing to worsen. She requested that the issue be placed on the next agenda for Board action to address the issue.

CONVENE IN EXECUTIVE SESSION TO CONSULT WITH ATTORNEY, PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

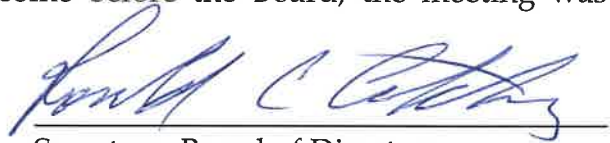
The Board convened in executive session at 01:52 p.m. pursuant to Section 551.071 of the Texas Government Code to conduct a private consultation with their attorney. Ms. Carner and Ms. Padilla also were present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 01:58 p.m. No action was taken by the Board.

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




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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