

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

September 28, 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 28th day of September, 2022, at The Lodge Welcome Center, 5005 Lodge Lake Drive, 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 Tueting, thus constituting a quorum.

Also present at the meeting in person or via telephone conference were Carmen Guzman of Fulbrook on Fulshear Creek Homeowners Association ("HOA"); Christine Crotwell of Masterson Advisors LLC ("Masterson"); Akquan Williams of Costello, Inc. ("Costello"); Marissa Iguess of Myrtle Cruz, Inc; Shammarie Leon of Bob Leared Interests; Bill Sweitzer of Sweitzer & Associates ("S&A"); Dave Cannon of Trend Development, Inc.; Katie Carner and Melissa Padilla of Allen Boone Humphries Robinson LLP ("ABHR"); and residents of the District as shown on the attached list.

COMMENTS FROM THE PUBLIC

Ms. Jones addressed the Board regarding concerns relating to landscape maintenance on District property adjacent to her residence in Fulbrook on Fulshear Creek, Section 13. She asked why the District's landscape maintenance contractor does not maintain the property to the tree line and requested that the District consider additional maintenance. Ms. Jones also informed the Board that the District's irrigation system does not appear to have a rain gauge and turns on even after rain events. Director Baker requested that Ms. Jones and any other interested residents on her street prepare a plan for the additional requested maintenance and submit it to Ms. Carner to provide to the Board for consideration at the next meeting.

Ms. Randolph inquired about the development plans for the vineyard property. Director Verburg stated that the vineyard property is currently owned by the developer. Mr. Cannon stated that currently there are no plans to develop the vineyard property. He noted that a survey of the residents may be conducted to determine any future use of

the vineyard property. Ms. Randolph stated she prefers that the property be left in a natural state.

Ms. Clements addressed the Board regarding concerns relating to recent mowing and clearing of the District's property in Fulbrook on Fulshear Creek, Section 9. Director Baker stated that at the last Board meeting, the Board approved a proposal from the District's landscape maintenance contractor for a one-time clean up of the property. Ms. Carner added that the Board has directed the District's landscape maintenance contractor to prepare a proposal for ongoing maintenance of the portion of the property from the fence line to the District storm sewer line and inlet to facilitate the operation and maintenance of the District's drainage facilities. Ms. Clements stated she did not believe that the District could perform any maintenance work in wetland areas and that she prefers that the property be left in its natural state.

Ms. Bourgeois asked how the Board determines wetlands boundaries. Director Verburg stated that the District relies upon its engineer for that information. Ms. Bourgeois expressed concerns related to resident unauthorized improvements to District property. Ms. Carner stated that the District's rules prohibit unauthorized improvements on District property and when reports of same are received, they are provided to the Board for consideration at the next meeting.

Mr. Belcher addressed the Board regarding concerns relating to the portion of Fulshear Creek adjacent to the Fulshear Trace Bridge. He noted the presence of downed trees and limbs in the creek. Ms. Carner stated that the Board authorized the District's landscape maintenance contractor to remove downed trees and tree limbs from the creek at the previous meeting. She noted that she will request that the landscape maintenance contractor inspect the area for any additional downed trees and limbs.

Mr. Mianroudi addressed the Board regarding his concerns relating to overgrown vegetation and debris on District property adjacent to Creek Bend Way. Mr. Sweitzer stated that the landscape development project for that area is on hold due to the unavailability of irrigation meters from the City of Fulshear (the "City").

Mr. Fryhofer addressed the Board regarding the recent clean-up of the District property in Fulbrook on Fulshear Creek, Section 9. He commended the District for cleaning up the property. Mr. Fryhofer noted his previous requests have been for the area be maintained similarly to other District property throughout the community.

Ms. Carner stated additional correspondence from District residents was provided to the Board.

MINUTES

The Board considered approving the regular meeting minutes of September 1, 2022. After review and discussion, Director Catchings moved to approve the regular

meeting minutes of September 1, 2022, as presented. Director Gnospelius seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

The Board reviewed correspondence from a resident requesting drainage and boundary maps of the District be added to the District's website, a copy of which is attached. The Board requested ABHR coordinate with the District's webmaster on the posting of a link to the Fort Bend County GIS website on the District's website.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Carner stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's 2022 tax rate. The Board opened the public hearing regarding the District's proposed tax rate of \$0.92 per \$100 of assessed valuation, with \$0.80 allocated for debt service (\$0.36 for water, sewer, and drainage bond debt service and \$0.44 for road bond debt service), and \$0.12 allocated for operations and maintenance. Ms. Bourgeois inquired if the proposed 2022 debt service rate was typical for municipal utility districts. Ms. Crotwell reviewed an updated 2022 debt service tax rate analysis, a copy of which is attached, and discussed pending and future expected bond issues.

There being no other members of the public in attendance who wished to address the Board, the public hearing was closed.

The Board considered adopting an Order Levying Taxes reflecting the proposed 2022 tax rate. Discussion ensued regarding the proposed maintenance tax rate and pending revisions to the budget to account for the actual cost of the ongoing erosion repair projects.

The Board then considered authorizing the execution of an Amendment to Information Form to reflect the 2022 tax rate.

Following review and discussion, Director Catchings moved to (1) adopt the Order Levying Taxes, reflecting the 2022 tax rate of \$0.92 per \$100 of assessed valuation, with \$0.80 allocated for debt service (\$0.36 for water, sewer, and drainage bond debt service and \$0.44 for road bond debt service), and \$0.12 allocated for operations and maintenance; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Gnospelius seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

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

Ms. Igness stated she would present a proposed budget amendment to reflect the revised cost of the erosion repair work and the adopted maintenance tax rate next month.

Discussion ensued regarding adding the monthly budget comparison to the District's website.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Leon reviewed the tax assessor/collector's report, a copy of which is attached. She stated that 100% of the District's 2021 taxes were collected as of today. 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.

SERIES 2022A UNLIMITED TAX ROAD BONDS

Ms. Crotwell reviewed a handout regarding the status of the municipal bond market, a copy of which is attached. Discussion ensued.

Ms. Crotwell discussed the procedures and proposed schedule for the issuance of the District's Unlimited Tax Road Bonds, Series 2022A (the "Series 2022A Road Bonds").

APPROVE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Ms. Crotwell reviewed the Preliminary Official Statement and Official Notice of Sale for the Series 2022A Road Bonds with the Board.

APPOINT PAYING AGENT/REGISTRAR

The Board discussed appointing a Paying Agent/Registrar for the District's Series 2022A Road Bonds.

ADVERTISEMENT AND SCHEDULE FOR SALE OF THE SERIES 2022A ROAD BONDS

The Board discussed the proposed schedule for the sale of the District's Series 2022A Road Bonds.

After discussion, Director Catchings moved to (1) approve the Preliminary Official Statement and Official Notice of Sale, subject to final review; (2) appoint Bank of New York Mellon Trust Company, N.A. as the Paying Agent/Registrar for the Series 2022A Road Bonds; and (3) authorize advertisement for sale of the Series 2022A Road Bonds and schedule the bond sale for next month's regular meeting on October 26, 2022. Director Verburg seconded the motion, which passed by unanimous vote.

Ms. Carner reviewed resident correspondence regarding the auditor's procedures for preparing developer reimbursement reports, a copy of which is attached. She stated that the District's auditor will attend the District's next meeting to present the reimbursement report for the Series 2022A Road Bonds. She stated the auditor can answer any questions from the Board regarding the procedures for preparing the report at that time.

ENGINEERING MATTERS

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

FULBROOK ON FULSHEAR CREEK, SECTION 7 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 7, as reflected in his report. He reviewed and recommended approval of Pay Estimate No. 3 and Final in the amount of \$228,460.50, submitted by Hurtado Construction Company ("Hurtado").

FULBROOK ON FULSHEAR CREEK, SECTION 7 PAVING FACILITIES

Mr. Williams 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. He reviewed and recommended approval of Pay Estimate No. 2 and Final in the amount of \$180,916.31, submitted by Hurtado.

FULBROOK ON FULSHEAR CREEK, SECTION 11

Mr. Williams 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 regarding access to the proposed water plant site located within the section.

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. 3 in the amount of \$583,278.30, submitted by Briggs Brothers Enterprises Corporation ("Briggs").

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.

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. 2 in the amount of \$365,699.88 submitted by Blazey Construction Services ("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.

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. 2 in the amount of \$225,985.50 submitted by Briggs.

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.

DRAINAGE STUDY

There was no discussion on this agenda item.

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. 6 in the amount of \$72,364.50, submitted by Briggs. Mr. Williams noted that the materials testing showed that one of the junction boxes did not meet the strength requirements. He stated the junction box will be removed and replaced by Briggs at no cost to the District.

DETENTION POND TO SERVE THE COMMERCIAL TRACTS

Mr. Williams 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. Williams updated the Board on the status of the water, sewer, drainage, and paving facilities to serve the Parkside Passage Drive Recreation Center, as reflected in his report.

EROSION REPAIRS

Mr. Williams updated the Board on the status of the erosion repairs along Fulshear Creek, behind 4811 Legend Creek Drive and 5307 Lake Hill Farm Way, as reflected in his report. Mr. Williams also updated the Board on the status of the erosion repairs along Fulshear Creek, behind 5423 Lake Hill Farm Way, as reflected in his report.

Following review and discussion, and based on the engineer's recommendation, Director Gnospelius moved to (1) approve the engineer's report; (2) approve Pay Estimate 3 and Final in the amount of \$228,460.50 submitted by Hurtado; (3) approve Pay Estimate No. 2 and Final in the amount of \$180,916.31, submitted by Hurtado; (4) approve Pay Estimate No. 3 in the amount of \$583,278.30, submitted by Briggs; (5) approve Pay Estimate No. 2 in the amount of \$365,699.88 submitted by Blazey; (6) approve Pay Estimate No. 2 in the amount of \$225,985.50 submitted by Briggs; and (7) approve Pay Estimate No. 6 in the amount of \$72,364.50, submitted by Briggs. Director Catchings seconded the motion, which passed unanimously.

OTHER ENGINEERING MATTERS

Mr. Williams updated the Board regarding the previously discussed resident request for the installation of turf and temporary irrigation behind Nodding Thistle Trail.

Mr. Williams updated the Board regarding the previously approved proposal for an updated District Map.

Mr. Williams updated the Board regarding the previously discussed resident request for compaction and seeding behind their residence on Parkside Passage.

Director Catchings requested that Costello ask the City to consider installing crosswalks at intersections along Fulshear Trace.

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 provided an update on the supply chain issues affecting the City's ability to provide irrigation meters, as discussed earlier in the meeting.

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

Mr. Sweitzer updated the Board on the status of the design of the Parkside Passage Recreation Center.

Mr. Sweitzer updated the Board on the solicitation for bids for the paver repairs at the roundabout on Fulshear Trace.

Mr. Sweitzer updated the Board on the status of the inspection of the damage to the District's greenway enhancements perimeter walls. He stated that 50% of the perimeter walls have been inspected for damages and noted that one panel in Fulbrook on Fulshear Creek, Section 6 is damaged. He stated he believes the panel may have been

damaged by the paving contractor for Fulbrook on Fulshear Creek, Section 7. Ms. Carner requested that Costello hold the final pay estimate for the contractor until the wall damage issue is resolved.

Mr. Sweitzer requested that items be added to the next agenda for the Board to consider authorizing design of the landscape development and greenway enhancements perimeter walls to serve Fulbrook on Fulshear Creek, Section 7.

After review and discussion, and based on the landscape architect's recommendation, Director Catchings moved to approve the landscape architect's report. Director Verburg seconded the motion, which passed by unanimous vote.

MOWING AND MAINTENANCE OF DISTRICT PROPERTY

The Board reviewed the mowing and maintenance report, a copy of which is attached.

Ms. Carner stated the District's landscape maintenance contractor had provided pricing for the ongoing maintenance of the District's property in Fulbrook on Fulshear Creek, Section 9, as previously discussed. The Board requested that the landscape maintenance contractor provide a written proposal for the Board's review at the next meeting.

The Board reviewed correspondence from a resident regarding closure of the District trails, a copy of which is attached. Discussion ensued. Ms. Carner inquired if the Board would like her to provide additional information to the resident. After discussion, the Board took no action.

REPORT ON DEVELOPMENT

Mr. Cannon updated the Board on development in the District. He stated Perry Homes recently notified him that they were unable to complete construction of new homes due to the City's inability to provide residential water meters. Discussion ensued. Following discussion, the Board requested that ABHR prepare and submit correspondence to the City regarding the negative impacts of the unavailability of irrigation and residential water meters.

ATTORNEY'S REPORT

ANNUAL REPORT

Ms. Carner stated that, as part of the District's continuing disclosure obligations, the District is required to file its annual report with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System, pursuant to SEC Rule 15c2-12. Following review and discussion, Director

Catchings moved to approve the Annual Report and direct that the Annual Report be filed appropriately and retained in the District's official records. Director Gnospelius seconded the motion, which passed by unanimous vote.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance and concurred no changes are needed at this time.

CITY MATTERS

There was no discussion on this item.

COMMENTS FROM THE PUBLIC (CONT'D)

Ms. Clements inquired about the design of the storm sewer line and inlet on the District's property in Fulbrook on Fulshear Creek, Section 9. Director Verburg stated that the District's drainage facilities are designed by the District's engineer.

Mr. Frank addressed the Board regarding his concerns relating to the unavailability of residential water meters from the City. He stated the closing on his new home has been delayed because of the issue and inquired about the timing of submittal of correspondence to the City. Ms. Carner stated that the correspondence will be prepared as soon as possible this week.

Ms. Jones inquired about the date and location of the next Board of Directors meeting. Ms. Carner stated that the next regular Board meeting is scheduled for October 26th, at noon, at the offices of ABHR. She noted interested members of the public may attend Board meetings in person or by telephone conference.

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

(SEAL)



Secretary, Board of Directors

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