

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

October 26, 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 26th day of October, 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 except Directors Verburg and Gnospelius, thus constituting a quorum.

Also present at the meeting in person or via telephone conference were Pam Clements, resident of the District; Jennifer Vossler of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Adam Swonke of Gleannloch Landscaping & Maintenance Company ("Glamco"); Christine Crotwell of Masterson Advisors LLC ("Masterson"); Alex Khoshakhlagh 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.; and Katie Carner and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

COMMENTS FROM THE PUBLIC

Ms. Clements addressed the Board regarding the landscape maintenance of the District's property in Fulbrook on Fulshear Creek, Section 9. Ms. Carner stated that matter would be discussed under agenda item no. 11.

MINUTES

The Board considered approving the regular meeting minutes of September 28, 2022. After review and discussion, Director Catchings moved to approve the regular meeting minutes of September 28, 2022, as presented. Director Tueting seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

SERIES 2022A UNLIMITED TAX ROAD BONDS

REVIEW BIDS AND AWARD SALE OF THE DISTRICT'S \$12,100,000 UNLIMITED TAX ROAD BONDS, SERIES 2022A (THE "SERIES 2022A ROAD BONDS")

Ms. Crotwell reviewed with the Board a summary of the five bids received for the sale of the District's Series 2022A Road Bonds, a copy of which is attached. She stated the bids were verified for accuracy, and that good faith checks were submitted by all of the bidders. Ms. Crotwell recommended that the Board award the sale of the District's Series 2022A Road Bonds to the low bidder, Huntington Securities, Inc. ("Huntington"), at a net effective interest rate of 5.170839%. She reported that Moody's Investor Service confirmed the District's rating for the Series 2022A Road Bonds.

Ms. Crotwell then reviewed a Pricing Book prepared by Masterson, a copy of which is attached.

RESOLUTION AUTHORIZING ISSUANCE OF THE DISTRICT'S SERIES 2022A ROAD BONDS

Ms. Carner reviewed the provisions of a proposed Resolution Authorizing the Issuance of the District's Series 2022A Road Bonds and explained that the document sets forth the terms and provisions of issuance and delivery of the Bonds, the payment of principal and interest over the life of the Bonds, and certain District covenants regarding the tax-exempt status of the Bonds.

PAYING AGENT/REGISTRAR AGREEMENT

Ms. Carner reviewed the provisions of a proposed Paying Agent/Registrar Agreement with Bank of New York Mellon Trust Company, N.A. by which the Paying Agent/Registrar will handle registration, transfer, and payment of the District's Series 2022A Road Bonds.

OFFICIAL STATEMENT

Ms. Carner explained that the Preliminary Official Statement for the District's Series 2022A Road Bonds will be updated to reflect the terms of the sale, including the purchaser, interest rates, and debt service requirements, and will be used as the Official Statement for the Series 2022A Road Bonds.

CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Carner presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice reflecting that the Board has relied on Masterson for financial advice concerning the issuance of the District's Series 2022A Road Bonds.

AUTHORIZE SIGNATURES AND ALL NECESSARY ACTION

Ms. Carner noted that it will be necessary for the President or Vice President and the Secretary or Assistant Secretary of the Board to sign documents relating to the sale and closing of the District's Series 2022A Road Bonds and actions will be required to be taken by the District's attorney and financial advisor to deliver the District's Series 2022A Road Bonds to the purchaser.

APPROVE PAYMENT TO ATTORNEY GENERAL

Ms. Carner stated that it will be necessary for the District to submit payment to the Attorney General of Texas relating to the bond issue transcript review.

AMENDMENT TO INFORMATION FORM

The Board reviewed an Amendment to Information Form reflecting the sale of the District's Series 2022A Road Bonds for filing with the Fort Bend County Clerk's Office and the Texas Commission on Environmental Quality ("TCEQ").

APPROVE DEVELOPER REIMBURSEMENT REPORT FOR SERIES 2022A ROAD BONDS AND AUTHORIZE DISBURSEMENT OF BOND PROCEEDS

Ms. Vossler reviewed a draft developer reimbursement report reflecting the amounts to be disbursed from the proceeds of the District's Series 2022A Road Bonds.

Following review and discussion, and based on the financial advisor's recommendation, Director Catching moved to (1) award the sale of the District's Series 2022A Road Bonds to Huntington at a net effective interest rate of 5.170839%; (2) adopt the Resolution Authorizing the Issuance of the District's Series 2022A Road Bonds; (3) approve the Paying Agent/Registrar Agreement for the Bonds with the Bank of New York Mellon Trust Company, N.A.; (4) approve the Official Statement; (5) authorize execution of the Certificate Regarding Provision of Financial Advice; (6) authorize the Board to sign all documents relating to the sale of the Bonds and authorize ABHR and Masterson to take all necessary steps to deliver the Bonds to the purchaser; (7) approve payment to the Attorney General of Texas relating to the bond issue transcript review; (8) authorize execution of the Amendment to Information Form; (9) approve the developer reimbursement report, subject to final review, and authorize the disbursement of the amounts shown in the final reimbursement report; and (10) direct that all bond

documents be filed appropriately and retained in the District's official records. Director Tueting seconded the motion, which passed unanimously.

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. She also requested the Board approve additional check no. 4422, payable to the City of Fulshear ("City"), to avoid incurring any late fees if the Board does not meet in November.

Ms. Igness reviewed a proposed amended budget for the fiscal year ending April 30, 2023, revised as discussed at the previous meeting.

Following review and discussion, Director Tueting moved to (1) approve the bookkeeper's report and payment of the bills, including check no. 4422 as detailed above; and (2) adopt the amended budget for the fiscal year ending April 30, 2023, as presented. Director Catchings 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 reported on the collection of the District's 2022 taxes.

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

ENGINEERING MATTERS

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

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 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. 4 in the amount of \$26,550.00, submitted by Briggs Brothers Enterprises Corporation ("Briggs"). He recommended the Board defer approval of the Pay Estimate due to unresolved subcontractor claims.

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. He reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$395,051.40 and a Final Quantity Adjustment to decrease the contract in the amount of \$24,546.60, submitted by A&M Contractors ("A&M").

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. He reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$333,783.63, submitted by Blazey Construction Services ("Blazey").

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. He reviewed Pay Estimate No. 3 in the amount of \$644,498.10, submitted by Briggs. Mr. Khoshakhlagh recommended the Board defer approval of the Pay Estimate due to unresolved subcontractor claims.

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.

DRAINAGE STUDY

There was no discussion on this agenda item.

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 reviewed Pay Estimate No. 7 in the amount of \$47,902.50, submitted by Briggs, and recommended that the Board defer approval of the Pay Estimate due to unresolved subcontractor claims. Mr. Khoshakhlagh noted that as of today, Briggs is 103 days behind their contract time and has approximately 3-4 weeks of work remaining.

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, as reflected in his report.

EROSION REPAIRS

Mr. Khoshakhlagh reported that Briggs has informed Costello that they will not be completing the erosion repairs along Fulshear Creek, behind 4811 Legend Creek Drive, 5307 Lake Hill Farm Way, and 5423 Lake Hill Farm Way. He stated that Briggs indicated that they will find a replacement contractor to complete the work.

Mr. Khoshakhlagh updated the Board on concerns related to the various ongoing construction projects with Briggs. After discussion, the Board concurred to schedule a special meeting on November 17, 2022, at 12 p.m. at the offices of ABHR to discuss the status of the construction projects with Briggs. The Board also concurred to defer consideration of any pay estimates submitted by Briggs until the special meeting.

OTHER ENGINEERING MATTERS

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

Mr. Khoshakhlagh reported that the City is looking into installing crosswalks at intersections along Fulshear Trace and removing a stop sign at Lodge Lake Drive.

Following review and discussion, and based on the engineer's recommendation, Director Tueting moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 1 in the amount of \$395,051.40, submitted by A&M; (3) approve the Final Quantity Adjustment to decrease the contract in the amount of \$24,546.60, submitted by A&M; and (4) approve Pay Estimate No. 3 in the amount of \$333,783.63, submitted by Blazey. Director Catchings 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

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. Ms. Carner reported that irrigation meters are now available, but installation of the meters has been delayed because certain tap fees still needed to be paid to the City and the taps set.

Mr. Sweitzer updated the Board on the status of the landscape development of Fulbrook on Fulshear Creek, Section 6. He reviewed and recommended approval of Change Order No. 1 to increase the contract in the amount of \$16,365.88, submitted by Earth First Landscapes, LLC ("Earth First"). Mr. Sweitzer stated that Change Order No. 1 is to add landscaping for an additional street to the scope of the work. The Board determined that Change Order No. 1 is beneficial to the District.

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 he anticipates having the inspection report for the Board's review at the next regular meeting.

The Board considered authorizing design of the landscape development and greenway enhancements perimeter walls to serve Fulbrook on Fulshear Creek, Section 7.

The Board discussed the future maintenance of the District's greenway enhancement perimeter walls and the funding for same.

After review and discussion, and based on the landscape architect's recommendation, Director Catchings moved to (1) approve the landscape architect's report; (2) approve Change Order No. 1 to increase the contract in the amount of \$16,365.88, submitted by Earth First, based on the Board's determination that the Change Order is beneficial to the District; and (3) authorize design of the landscape development and greenway enhancement perimeter walls project to serve Fulbrook on Fulshear Creek, Section 7. Director Baker seconded the motion, which passed by unanimous vote.

MOWING AND MAINTENANCE OF DISTRICT PROPERTY

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

Mr. Swonke reviewed a proposal in the amount of \$212.87 per visit for ongoing maintenance of the District's property in Fulbrook on Fulshear Creek, Section 9, a copy of which is attached. He stated that there would be approximately 42 visits per year. After review and discussion, Director Catchings moved to approve the proposal in the amount of \$212.87 per visit. Director Tueting seconded the motion, which passed unanimously.

The Board reviewed correspondence from a resident regarding maintenance of the District's property in Fulbrook on Fulshear Creek, Section 9, a copy of which is attached.

The Board reviewed correspondence from a resident regarding the removal of fallen trees along Bessie's Creek, a copy of which is attached.

The Board reviewed correspondence from a resident regarding a proposed maintenance plan for the District's property in Fulbrook on Fulshear Creek, Section 13, a copy of which is attached. Mr. Swonke recommended quarterly mowing of that area. The Board requested that Glamco provide a written proposal for quarterly mowing for the Board's consideration at the November 17, 2022, special meeting.

LAKE MAINTENANCE MATTERS, INCLUDING PROPOSAL FROM LAKE MANAGEMENT SERVICES FOR 2023 MAINTENANCE SERVICES

The Board reviewed a 2023 budget proposal from Lake Management Services for lake maintenance services, a copy of which is attached. After review and discussion, Director Catchings moved to approve the proposal and direct that it be incorporated as a new exhibit to the Service Agreement between the District and Lake Management Services. Director Tueting seconded the motion, which passed unanimously.

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 MATTERS

There was no discussion on this item.

DISCUSS MEETING SCHEDULE

The Board discussed the regular meeting schedule and concurred to reschedule the next regular Board meeting for December 8, 2022, at 12:00 p.m. at the offices of ABHR.

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

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

COMMENTS FROM THE PUBLIC (CONT'D)

Ms. Clements addressed the Board regarding the landscape maintenance of the District's property in Fulbrook on Fulshear Creek, Section 9, noting that the wetlands that were previously mowed to the lake line have begun growing back. Director Baker stated that, pursuant to the proposal approved earlier in the meeting, the property will be maintained from the fence line to the drainage swale.

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

(SEAL)




Secretary, Board of Directors

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