

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

January 29, 2025

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 29th day of January, 2025, 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 Gnospelius, thus constituting a quorum.

Also present at the meeting in person or via teleconference were Leah Troville, resident of the District; Howell Poole of the Fulbrook on Fulshear Creek Homeowners Association; Alex Khoshakhlagh of Pape-Dawson Engineers, Inc. ("Pape-Dawson"); Dave Cannon of Trend Development, Inc.; Justin Jenkins of McCall Gibson Swedlund Barfoot Ellis PLLC; Mollie Lewis of Cody's Tree Service, Inc.; Justin Klump of Storm Water Solutions, LLC ("SWS"); Bill Sweitzer of Sweitzer & Associates; Julie Peak of Masterson Advisors LLC; Marissa Iguess of Myrtle Cruz, Inc.; Shammara Leon of Bob Leared Interests; and Katie Carner and Shammara Polk of Allen Boone Humphries Robinson LLP ("ABHR").

COMMENTS FROM THE PUBLIC

Ms. Troville addressed the Board regarding correspondence sent requesting the trees and tree debris around her residence be removed. A copy of the correspondence is attached. Mr. Carner stated her request will be discussed under agenda item no. 15.

MINUTES

The Board considered approving the minutes of the December 4, 2024, regular meeting. Following review and discussion, Director Tueting moved to approve the minutes of the December 4, 2024, regular meeting, as presented. Director White seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

STORMWATER PERMITTING MATTERS, INCLUDING APPLICATION FOR COVERAGE UNDER 2024 TPDES GENERAL PERMIT NO. TXR040000, AND, IF APPROPRIATE, APPROVE MASTER SERVICES AGREEMENT WITH STORMWATER SOLUTIONS, PROPOSAL FOR SERVICES, RECEIVE AND APPROVE STORMWATER MANAGEMENT PLAN AND AUTHORIZE SUBMITTAL OF NOTICE OF INTENT TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Mr. Klump discussed the issuance of the 2024 renewal of the Texas Pollutant Discharge Elimination System ("TPDES") General Permit No. TXR040000 (the "MS4 Permit"). He indicated that pursuant to the 2024 renewed MS4 Permit requirements, the District must prepare a Stormwater Management Program ("SWMP") and submit a Notice of Intent ("NOI") to the Texas Commission on Environmental Quality no later than February 11, 2025, to obtain MS4 Permit coverage. Mr. Klump next presented a Master Services Agreement ("Agreement") for stormwater management services and a Proposal for Services ("Proposal") for the preparation and implementation of the SWMP and the preparation and submittal of the NOI required by the MS4 Permit. Mr. Klump discussed the TPDES and NOI and presented the SWMP prepared in accordance with the requirements set forth in the 2024 TPDES General Permit No. TXR040000 for the Board's review. Ms. Carner reminded the Board of discussion from the last Board meeting regarding SWS coordinating with the City of Fulshear (the "City") to include the District in the City's SWMP; however, the City was not ready to move forward with including the District this permit term. Discussion ensued.

Following review and discussion, Director Tueting moved to (1) approve the Agreement and Proposal, authorize SWS to proceed with preparation of the NOI and SWMP for review by the Board, and direct that the Agreement and Proposal be filed appropriately and retained in the District's official records; and (2) approve the SWMP, authorize Director Tueting to electronically execute and submit the NOI on behalf of the District to the Texas Commission on Environmental Quality, and direct that the NOI and the SWMP be filed appropriately and retained in the District's official records. Director White seconded the motion, which passed by a vote of 3-1 with Director Verburg opposed.

REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2019 ROAD BONDS

Ms. Carner reviewed the Arbitrage Rebate Report for the District's Unlimited Tax Road Bonds, Series 2019, prepared by OmniCap Group LLC. She stated the report reflects that no arbitrage rebate or yield reduction payment is due to the Internal Revenue Service.

APPROVE SUPPLEMENTAL DEVELOPER REIMBURSEMENT REPORT FOR THE SERIES 2024 BONDS AND AUTHORIZE DISBURSEMENT OF FUNDS

Mr. Jenkins presented and reviewed a draft supplemental developer reimbursement report reflecting additional amounts to be disbursed from the proceeds of the District's \$12,000,000 Unlimited Tax Bonds, Series 2024 ("Series 2024 Bonds"). After review and discussion, Director Verburg moved to approve the supplemental developer reimbursement report for the Series 2024 Bonds and authorize disbursement of the amounts shown in the final reimbursement report, subject to an executed receipt received from the developer. Director Catchings seconded the motion, which passed unanimously.

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 Tueting requested a line item for the SWMP be added to the budget for the fiscal year ending April 30, 2026.

Ms. Carner stated that, in accordance with the Public Funds Investment Act, the District's bookkeeper and Investment Officer are required to execute disclosure statements annually which disclose certain relationships with banks or brokers who seek to sell investments to the District. She stated that the disclosure statements will be filed with the Texas Ethics Commission.

The Board conducted its annual review of the District's Investment Policy and determined that no changes were needed. Ms. Carner presented a Resolution Regarding Annual Review of Investment Policy, reflecting no changes to the current Investment Policy.

The Board considered adopting a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions to update the list of qualified broker/dealers with whom the District may engage in investment transactions. Ms. Carner stated that the District's bookkeeper provided the updated list of broker/dealers, which is attached as Exhibit A to the Resolution.

Following review and discussion, Director Catchings moved to (1) approve the bookkeeper's report and payment of the bills; (2) accept the disclosure statements and direct that the statements be filed with the Texas Ethics Commission and retained in the District's official records; (3) adopt the Resolution Regarding Annual Review of Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records; and (4) adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the

District May Engage in Investment Transactions, with Exhibit A revised as discussed, and direct that the Resolution be filed appropriately and retained in the District's official records. Director White seconded the motion, which passed unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS CONFERENCES

The Board discussed the Association of Water Board Directors winter conference. Ms. Carner noted that Director White had planned to attend the winter conference but was unable to do so. The Board then considered authorizing attendance at the summer conference. Following review and discussion, Director Catchings moved to authorize attendance of any interested Directors at the summer conference. Director White seconded the motion, which passed unanimously.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a proposal from McDonald & Wessendorff Insurance for renewal of the District's insurance policies, effective March 10, 2025. After review and discussion, Director Tueting moved to approve the proposal for renewal of the District's insurance policies and direct that the proposal be filed appropriately and retained in the District's official records. Director Catchings 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 2024 taxes were 73.8% collected as of December 31, 2024.

Following review and discussion, Director Catchings moved to approve the tax assessor/collector's report and payment of the tax bills. Director Tueting 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 11 WATER, SEWER, DRAINAGE AND PAVING FACILITIES

Mr. Khoshakhlagh updated the Board on the status of construction of the Water, Sewer, Drainage and Paving Facilities to serve Fulbrook on Fulshear Creek, Section 11, as reflected in his report.

EROSION PROTECTION ALONG FULSHEAR CREEK BANK

Mr. Khoshakhlagh updated the Board regarding bank erosion along Fulshear Creek, as reflected in his report. He stated the Natural Resources Conservation Service ("NRCS") has approved the District's request for a time extension and the new deadline is November 26, 2025. Mr. Khoshakhlagh stated Pape-Dawson will be advertising for bids for Site Nos. 001-004 prior to the February Board meeting. He stated that Pape-Dawson is still working through the design for Site No. 005 and will provide an update at the next Board meeting.

OTHER ENGINEERING MATTERS

Mr. Khoshakhlagh updated the Board on the James Lane Water Line Extension project, as reflected in his report.

Mr. Khoshakhlagh informed the Board that the City has reached out to the developer regarding securing buffer easements in connection with the City's wastewater treatment plant removal along FM 1093. He stated the easements will require that no structures be built within the buffer zones. Following discussion, the Board concurred that they had no objection to the buffer easements.

Mr. Khoshakhlagh informed the Board of the City's request for the District to consider conveying an approximate 0.5-acre tract to the City for a diversion lift station. Following discussion, the Board requested Pape-Dawson inform the City that they are not opposed to the most recent location proposed by the City.

Following review and discussion, Director Tueting moved to approve the engineer's report. Director Verburg 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 CONVEYANCE AND SECURITY AGREEMENTS

There was no discussion regarding this matter.

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 Parkside Passage Recreation Center project, as reflected in his report. Director Tueting inquired about the timeline for

the project to begin.

Mr. Sweitzer updated the Board on the status of the Landscape Development of Fulbrook on Fulshear Creek, Section 7, as reflected in his report. He reviewed and recommended approval of Pay Estimate Nos. 4, 5, and 6 in the amounts of \$79,404.10, \$2,700.00, and \$810.00, respectively, submitted by Triple E Growers.

Mr. Sweitzer updated the Board on the Southern Detention Facility Sidewalk Improvements, as reflected in his report. He noted the project would be included with the Fulbrook on Fulshear Creek, Sections 17, 18, and 19 landscape development project.

Mr. Sweitzer updated the Board on Landscape Development of Fulbrook on Fulshear Creek, Sections 17, 18, and 19, including the Fulshear Trace proposed sidewalk extension, as reflected in his report.

Mr. Sweitzer updated the Board on Landscape Development of Fulbrook on Fulshear Creek, Section 11, as reflected in his report. He updated the Board regarding locating a suitable tree to replace the large pecan tree that was removed near The Lodge. Mr. Sweitzer stated that no suitable tree was found and recommended planting live oak trees.

Mr. Sweitzer updated the Board on discussion from the last Board meeting regarding installing trellises to serve as a sound and light buffer along James Lane and FM 1093. He stated metal trellises were not cost effective and recommended installing trees and shrubs. He stated he would provide an updated proposal next month.

Mr. Sweitzer informed the Board of a resident on Spring Woods Drive inquiring about landscape maintenance of the wetlands reserve adjacent to Fulbrook on Fulshear Creek, Sections 9 and 10, as reflected in his report.

Following review and discussion, and based on the landscape architect's recommendation, Director Tueting moved to (1) approve the landscape architect's report; and (2) approve Pay Estimate Nos. 4, 5, and 6 in the amounts of \$79,404.10, \$2,700.00, and \$810.00, respectively, submitted by Triple E Growers. Director Verburg seconded the motion, which passed unanimously.

Ms. Carner reminded the Board of previous discussion regarding the District hiring an arborist to investigate the condition of trees in the District. Ms. Lewis addressed the Board on the Board's request for an arborist to investigate the condition of trees along Lodge Lake Drive and Spanish Moss Crossing. She stated the fee for consultation services is \$150.00 per hour and the fee for the preparation of a report is \$75.00 per hour. Following discussion, the Board requested Mr. Sweitzer meet with Cody's Tree Service on-site along with Gleannloch Landscaping & Maintenance Company ("Glamco") to

investigate the condition of trees in the previously mentioned areas and to recommend any necessary remediation and for ABHR to prepare a services agreement to engage Cody's Tree Service as the District's tree consultant.

MOWING AND MAINTENANCE OF DISTRICT PROPERTY

The Board reviewed and discussed pending resident requests.

The Board discussed correspondence previously reviewed at the December 4, 2024, meeting from a resident on Summer Place Court regarding maintenance performed behind their residence. Ms. Carner stated Glamco confirmed that the previously approved work is complete.

The Board reviewed correspondence from a resident on Spring Woods Drive regarding a request for trash to be removed behind their residence. A copy of the correspondence is attached. Ms. Carner stated that Glamco confirmed all trash has been removed.

The Board reviewed correspondence from a resident on Crossfield Road regarding landscape development in Fulbrook on Fulshear Creek, Section 18 and concerns of erosion near their residence. A copy of the correspondence is attached. Ms. Carner informed the Board that Mr. Khoshakhlagh confirmed this was a homebuilder issue, and no action is needed from the Board.

The Board continued discussion regarding correspondence from a resident on Spanish Moss Crossing regarding a request for the removal of trees and tree debris on District project adjacent to their residence. Ms. Carner stated Glamco advised they can remove all downed trees and tree debris for an amount not to exceed \$2,000.00.

Following review and discussion, Director Tueting moved to authorize Glamco to remove the downed trees and tree debris behind Spanish Moss Crossing in an amount not to exceed \$2,000.00. Director Verburg seconded the motion, which passed unanimously.

DISCUSS MAINTENANCE OF DISTRICT DETENTION FACILITIES, INCLUDING DEVELOPMENT OF MAINTENANCE AGREEMENT WITH FULBROOK ON FULSHEAR CREEK HOMEOWNERS ASSOCIATION (THE "HOA")

Ms. Carner updated the Board on discussion from the August 28, 2024, Board meeting regarding an agreement between the District and the HOA for shared maintenance of the detention facilities throughout the District. She stated ABHR is still working with the HOA and anticipates sending the agreement draft to the Board in advance of the February Board meeting.

REPORT ON DEVELOPMENT

Ms. Peak discussed the developer's request for the Board to consider a potential bond issue in 2025. She requested authorization to perform a capacity analysis for a potential bond issue. Following discussion, the Board concurred to authorize Ms. Peak to perform a bond capacity analysis.

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

ATTORNEY'S REPORT

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Carner reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no changes to the policy are required at this time.

ADOPT RESOLUTION ADOPTING COVERED APPLICATIONS POLICY

Ms. Carner discussed legislation enacted by the Texas Legislature that requires all governmental entities to adopt a policy prohibiting the use of certain social media applications and services on government-owned or -leased devices. She stated that a model policy was developed by the Texas Departments of Public Safety and Information Resources for use by governmental entities. Ms. Carner reviewed the proposed Covered Applications Policy with the Board. After review and discussion, Director Verburg moved to adopt a Resolution Adopting Covered Applications Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Catchings seconded the motion, which passed unanimously.

CITY OF FULSHEAR MATTERS

There was no discussion on this agenda item.

2025 DIRECTORS ELECTION

ADOPT ORDER CALLING DIRECTORS ELECTION

Ms. Carner reviewed an Order Calling Directors Election.

AUTHORIZE NOTICE OF ELECTION

Ms. Carner discussed that the Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Fort Bend County.

Following review and discussion, Director Verburg moved to (1) adopt the Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District's official records; and (2) authorize the Secretary's agent to post or publish the Notice of Election and provide the notice to the County Clerk and Voter Registrar, if required. Director Catchings seconded the motion, which passed unanimously.

DISCUSS MEETING SCHEDULE

The Board discussed the regular meeting schedule and concurred to hold the next regular Board meeting for February 26, 2025, at 12:00 p.m. at the offices of ABHR.

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 convened in Executive Session at 1:38 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 and Ms. Polk also were present.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 1:39 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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