

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

July 31, 2024

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 31st day of July, 2024, 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 Gnospelius and Verburg, thus constituting a quorum.

Also present at the meeting in person or via teleconference were Leah Troville, resident of the District; Alex Khoshakhlagh and Akquan Williams of Pape-Dawson Engineers, Inc. ("Pape-Dawson"); Bill Sweitzer of Sweitzer & Associates; Marissa Iguess of Myrtle Cruz, Inc.; Shammarie Leon of Bob Leared Interests; Rob Fondren of Trend Development, Inc.; Julie Peak of Masterson Advisors LLC; and Katie Carner, Allison Leatherwood, and Shammara Polk of Allen Boone Humphries Robinson LLP ("ABHR").

COMMENTS FROM THE PUBLIC

Ms. Troville addressed the Board regarding reported damage to her home from a downed tree. She stated she wanted to ensure that the District was aware of the situation and inquired if the remnants of the tree would be removed from her yard so mowing could take place adjacent to and behind her residence. Ms. Carner stated that the District's landscape contractor, Gleannloch Landscaping & Maintenance Company ("Glamco") and the Board were notified about the issue and that her residence is on the list for tree removal. Ms. Carner stated that correspondence also was received on July 23, 2024, regarding Ms. Troville's request for the removal of the downed tree and information pertaining to her pending insurance claim. A copy of the correspondence is attached.

Ms. Troville next addressed the Board regarding concerns relating to the condition of additional trees on District property near her residence. Ms. Carner stated Glamco would be notified to inspect the trees in the area and requested to provide a recommendation to the Board at the next meeting.

MINUTES

The Board considered approving the minutes of the June 26, 2024, regular meeting. Following review and discussion, Director Catchings moved to approve the minutes of the June 26, 2024, regular meeting, as presented. Director Tueting seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

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 Tueting 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 2023 taxes were 99.1% collected as of June 30, 2024.

Ms. Leon stated that the District's 2024 certified value is \$584,585,692.00. She informed the Board that there is outstanding uncertified value in the amount of \$4,570,793.00.

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.

ADOPT RESOLUTION VOTING FOR WATER DISTRICT NOMINEE FOR THE ELECTION OF THE BOARD OF DIRECTORS OF THE FORT BEND CENTRAL APPRAISAL DISTRICT

Ms. Carner reminded the Board of discussion from the July 26, 2024, Board meeting regarding the election process for the Fort Bend Central Appraisal District ("FBCAD"). She informed the Board that voting takes place between August 1, 2024, through August 15, 2024. She stated the District's ballot has not been received to date and inquired if the Board would like to designate a Director to complete the ballot prior

August 15, 2024, on the District's behalf. Following discussion, the Board concurred not to take action on this agenda item.

DISCUSSION OF DEVELOPMENT STATUS FOR 2024 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 2024 tax year.

Following review and discussion, Director Tueting moved to adopt a Resolution Regarding Development Status for 2024 Tax Year establishing the District as a Developing District for the 2024 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 Catchings seconded the motion, which passed unanimously.

SERIES 2024 UNLIMITED TAX BONDS ("SERIES 2024 BONDS")

Ms. Peak reviewed a draft Preliminary Official Statement and Official Notice of Sale for the District's issuance and sale of the Series 2024 Bonds.

The Board considered engaging Moody's to perform a credit rating analysis for the Series 2024 Bonds.

The Board considered appointing a Paying Agent/Registrar and Escrow Agent, if needed, for the Series 2024 Bonds.

The Board considered authorizing the District's financial advisor to advertise for the sale of the Series 2024 Bonds. The Board concurred to tentatively schedule the bond sale on August 28, 2024, subject to receipt of the order approving the bond application from the Texas Commission on Environmental Quality ("TCEQ").

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC ("McCall") to prepare a developer reimbursement report in connection with the Series 2024 Bonds. Ms. Carner stated the estimated fee range to prepare a developer reimbursement report is between \$10,000.00 and \$12,000.00.

Following review and discussion, Director Tueting moved to (1) approve the Preliminary Official Statement and Official Notice of Sale for the Series 2024 Bonds,

subject to final review and receipt of the TCEQ order approving the bond application; (2) engage Moody's to perform a credit rating analysis (3) appoint The Bank of New York Mellon Trust Company, N.A., as the Paying Agent/Registrar and Escrow Agent, if needed, for the Series 2024 Bonds; (4) authorize Masterson Advisors to advertise for the sale of the Series 2024 Bonds, subject to receipt of the TCEQ order approving the bond application; and (5) authorize McCall to prepare the District's developer reimbursement report in connection with the Series 2024 Bonds. Director Catchings 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, 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 11, as reflected in his report. He stated Pape-Dawson anticipates submitting plans to the City of Fulshear (the "City") and the TCEQ soon.

FULBROOK ON FULSHEAR CREEK, SECTION 11 PAVING FACILITIES

Mr. Khoshakhlagh 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, INCLUDING LIFT STATION NO. 10

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 and recommended approval of Pay Estimate No. 4 and Final in the amount of \$152,960.04, submitted by Hurtado Construction Company ("Hurtado"). Mr. Khoshakhlagh informed the Board that the Utility Conveyance and Security Agreement along with the Street Acceptance will be on the agenda for the August 13, 2024, City Council meeting and once documents are executed and recorded with Fort Bend County, the District's insurance policy for the lift station will be cancelled.

EROSION PROTECTION ALONG FULSHEAR CREEK BANK

Mr. Khoshakhlagh updated the Board regarding bank erosion along Fulshear Creek, as reflected in his report. He stated Pape-Dawson received a Notice of Grant and Agreement Award from the Natural Resources Conservation

Service ("NRCS") for the Board's consideration and execution. Mr. Khoshakhlagh updated the Board on Fulshear Municipal Utility District No. 2's ("Fulshear MUD No. 2") participation in the NRCS project. Ms. Carner stated that the Fulshear MUD No. 2 Board met, and their engineer proposed an alternative solution for the eastern channel erosion which would restore both banks. She further advised that Stephen Wilcox, Pape-Dawson's drainage specialist, told her he is okay with the proposed solution and is currently working to set up a meeting with Fulshear MUD No. 2's engineer, Mark Vogler, the Fort Bend County Drainage District's engineer, and the Dowdalls to discuss the proposed solution for the eastern channel erosion. Ms. Carner informed the Board that the NRCS has approved an amount up to \$508,305.36 and should the cost increase, the NRCS has indicated they are open to re-consideration subject to receipt of sufficient supporting information.

CITY OF FULSHEAR EMERGENCY JAMES LANE WATER LINE EXTENSION PROJECT

Mr. Khoshakhlagh updated the Board on the James Lane Water Line Extension project, as reflected in his report. He reviewed and recommended approval of Change Order No. 1 to the contract with Hurtado for the construction of the James Lane Water Line Extension to increase the contract in the amount of \$6,800.00. The Board determined that Change Order No. 1 is beneficial to the District. Ms. Carner noted that pursuant to the District's agreement with the City, the District will prepare a final accounting when the project is complete, and the City will be responsible for any cost overages.

OTHER ENGINEERING MATTERS, INCLUDING RESIDENT REQUESTS

Mr. Khoshakhlagh informed the Board of correspondence received regarding the City's lift station in Fulbrook on Fulshear Creek, Section 1, and the loud noises and fumes from extended running of the generator following Hurricane Beryl. He stated after speaking with the City's Public Works department, Pape-Dawson was informed that the on-site transformer was lost, the replacement parts were scheduled to arrive on July 23, 2024, and the issue is now resolved. He next discussed reports of sanitary sewer manholes near the same lift station overflowing. He stated the matter was reported to the City and has been resolved.

Mr. Khoshakhlagh informed the Board that a portion of Kinder Morgan's pipeline easement next to Fulbrook on Fulshear Creek, Section 17 was showing signs of scuffing and erosion. He stated Pape-Dawson visited the site and determined that Briggs' subcontractor had not fully filled/compacted the soil in the area, which washed out due to overland flow from the pipeline. Mr.

Khoshakhlagh stated Glamco advised they can regrade and seed the area for an amount not to exceed of \$2,500.00.

Mr. Khoshakhlagh next discussed damaged street signs and/or posts within Fulbrook on Fulshear Creek, Sections 17, 18, and 19. He stated upon further investigation four street signs/posts were damaged during Hurricane Beryl. He reviewed and presented a proposal prepared by Hurtado in the amount of \$2,000.00 to realign, remove, and replace the four street signs. A copy of the proposal is included in the engineer's report. Ms. Carner informed the Board that the District has surplus road bond funds available that can be utilized to pay for the replacement signs.

OVERVIEW OF PERIMETER WALL LAYOUT AND LINEAR FOOTAGE

Mr. Khoshakhlagh updated the Board on discussion from the May 22, 2024, Board meeting regarding the linear footage of perimeter walls in the District. He reviewed the linear feet of 6-foot 3 inch and 8-foot perimeter walls in the District.

UPDATE ON BOND APPLICATION

Mr. Khoshakhlagh updated the Board on the TCEQ's review of the bond application, as reflected in his report.

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. 4 and Final in the amount of \$152,960.04, submitted by Hurtado; (3) approve and authorize execution of the NRCS Notice of Grant and Agreement Award; (4) Approve Change Order No. 1 in the amount of \$6,800.00 as an increase to the contract with Hurtado, based upon the Board's finding that the Change Order is beneficial to the District; (5) authorize Glamco to regrade and seed the pipeline easement area next to Fulbrook on Fulshear Creek, Section 17 in an amount not to exceed of \$2,500.00; and (6) approve the proposal prepared by Hurtado in the amount of \$2,000.00, as presented. Director Tueting seconded the motion, which passed unanimously.

DEEDS AND EASEMENTS, PHASE I ENVIRONMENTAL PROPOSALS, AND CONSENTS TO ENCROACHMENT OF EASEMENTS

The Board discussed Berg Oliver Associates, Inc. ("Berg Oliver") conducting a phase I environmental site assessment for the right-of-way within Fulbrook on Fulshear Creek, Section 11. Ms. Carner informed the Board that ABHR has not yet received the proposal and requested the Board approve the preparation of a phase I environmental site assessment for an amount not to exceed of \$4,000.00. Following review and discussion, Director Tueting moved to approve a phase I environmental site assessment prepared by Berg Oliver for an amount not to exceed of \$4,000.00. Director Catchings

seconded the motion, which passed unanimously.

UTILITY COMMITMENTS

There was no discussion on this agenda item.

UTILITY CONVEYANCE AND SECURITY AGREEMENTS

Mr. Khoshakhlagh updated the Board on the Utility Conveyance and Security Agreement along with the Street Acceptance for Fulbrook on Fulshear Creek, Section 17 including lift station no. 10, as reflected in his report.

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.

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 stated that two bids were received for the construction of the Landscape Development to serve Fulbrook on Fulshear Creek, Section 7. Mr. Sweitzer recommended that the Board award the contract to Triple E Growers ("TEG") in the amount of \$188,777.00. The Board concurred that, in its judgment, TEG 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 the Greenway Enhancements Perimeter Walls to serve Fulbrook on Fulshear Creek, Sections 5, 6, 7, and 19, including repair of damaged walls, as reflected in his report. He reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$40,015.36, submitted by Fencecrete America, Inc. ("Fencecrete").

Following review and discussion, and based on the landscape architect's recommendation, Director White moved to (1) approve the landscape architect's report; (2) award the contract for construction of Landscape Development to serve Fulbrook on Fulshear Creek, Section 7 to TEG in the amount of \$188,777.00, subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; and (3) approve Pay Estimate No. 3 in the amount of \$40,015.36, submitted by Fencecrete. Director Tueting seconded the motion, which passed unanimously.

MOWING AND MAINTENANCE OF DISTRICT PROPERTY

Ms. Carner reviewed a report prepared by Glamco regarding mowing and maintenance in the District, a copy of which is attached.

The Board discussed correspondence previously reviewed at the April 24, 2024, Board meeting from a resident on Haven Trace regarding grading/sloping concerns behind their residence. Following discussion, the Board concurred to defer action on the proposal to allow Board members to inspect the area.

The Board discussed numerous correspondence from residents and the Fulbrook on Fulshear Creek Homeowners Association regarding reports of downed trees and fence and property damage due to Hurricane Beryl. Ms. Carner stated Glamco has been notified of all reported issues and is working on assessing them.

REPORT ON DEVELOPMENT

Mr. Fondren reported on development in the District.

CITY OF FULSHEAR MATTERS

There was no discussion on this agenda item.

DISCUSS MEETING SCHEDULE

The Board concurred to hold their next regular meeting on Wednesday, August 28, 2024, at ABHR.

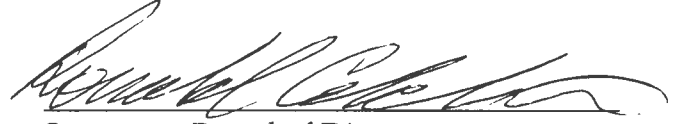
COMMENTS FROM THE PUBLIC CONT'D

There were no additional public 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

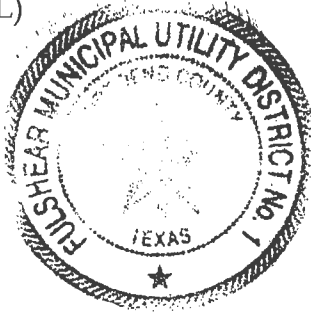
The Board did not convene in Executive Session.

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



Secretary, Board of Directors

(SEAL)



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