

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

August 26, 2026

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 August, 2026, 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
William K. White	Vice President
Ronald Catchings	Secretary
Russell R. Laird	Assistant Secretary/ Asst. Vice President
Bill McArdle	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 teleconference were Scott Raphael and Gary Worsham, residents of the District; Robert Fondren of Trend Development, Inc.; Julie Peak of Masterson Advisors LLC ("Masterson"); Marissa Iguess of Myrtle Cruz, Inc. ("MCI"); Shammara Leon and Amanda Nunez of Bob Leared Interests; Alex Khoshakhlagh and Stephen Wilcox of Pape-Dawson Engineers, Inc. ("Pape-Dawson"); Bill Sweitzer of Sweitzer & Associates ("S&A"); and Katie Carner and Shammara Polk of Allen Boone Humphries Robinson LLP ("ABHR").

COMMENTS FROM THE PUBLIC

Mr. Raphael addressed the Board regarding erosion concerns along Fulshear Creek and the eastern channel. Ms. Carner stated erosion matters will be addressed under agenda item no. 7.

MINUTES

The Board considered approving the minutes of the July 22, 2026, regular meeting. Following review and discussion, Director Catchings moved to approve the minutes of the July 22, 2026, regular meeting, as presented. Director McArdle seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Igness reviewed the bookkeeper's report, a copy of which is attached, including the monthly investment report and comparison of planned revenues and expenditures, and the bills presented for payment from the District's accounts.

Ms. Carner discussed Check No. 5080 in the amount of \$221,184.00, payable to the City of Fulshear (the "City") for water capacity fees. She reminded the Board of discussion at a previous Board meeting regarding the City billing the district for water capacity fees for previously installed irrigation meters. She stated that ABHR coordinated with MCI and determined that only one of the meters belonged to the District and the rest of the meters belong to the Fulbrook on Fulshear Creek Homeowners Association (the "HOA"). She discussed analyses conducted by MCI and the HOA regarding water usage for the meters. Following discussion, the Board concurred to approve payment of Check No. 5080.

Ms. Igness presented additional Check Nos. 1012, 5083, and 5084 in the amounts of \$500.00, \$408.19, and \$311.54, respectively, payable to Hurtado Construction Company ("Hurtado") for the Recreation Center within Fulbrook on Fulshear Creek, Section 14, Director Laird for additional fees of office, and Director Catchings for additional fees of office.

Following review and discussion, Director Catchings moved to approve the bookkeeper's report and payment of the bills, including Check Nos. 1012, 5080, 5083, and 5084. Director Laird 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 2025 taxes were 99.3% collected as of July 31, 2026.

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

DISCUSSION OF 2026 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING

The Board considered the District's 2026 tax rate. Ms. Peak distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2026 debt service tax rate of \$0.62 per \$100 of assessed valuation. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate, and Ms. Peak discussed the two-step process for setting the District's tax rate.

The Board discussed the proposed annexation with Trademark Property Company ("Trademark") and potential impact on the District's future tax revenues. Ms. Carner stated the landowner submitted a petition to the City requesting consent to be annexed into Fulshear Municipal Utility District No. 2 ("FMUD2"). Discussion ensued. Following discussion, the Board directed Masterson and ABHR coordinate with the City and potential commercial developers.

Following additional review and discussion, Director Catchings moved to (1) set the public hearing date for September 23, 2026, at the Lodge within the District; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on September 23, 2026, to set the proposed 2026 total tax rate of \$0.86 per \$100 of assessed valuation, with \$0.62 allocated for debt service and \$0.24 allocated for operations and maintenance. Director Laird seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

EROSION PROTECTION ALONG FULSHEAR CREEK BANK

Mr. Khoshakhlagh updated the Board regarding bank erosion along the eastern channel, as reflected in his report. He stated bids were received from Hurtado for the three alternate designs for Site No. 005 and recommended the Board award the contract to Hurtado in the amount of \$3,512,874.00 for alternate design no. 3b. Mr. Khoshakhlagh stated that FMUD2's engineer also has approved alternate design no. 3b. He informed the Board that the Natural Resources Conservation Service has agreed to proceed with alternate design no. 3b; however, their participation is limited to 300 feet out of the total 820 feet which equates to \$1,285,197.00, if the cost of the pipe is included. Discussion ensued. Following discussion, the Board concurred that, in its judgment, Hurtado 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.

Ms. Carner reviewed and presented a proposed First Amendment to the Interlocal Agreement for Drainage Channel Improvements and Maintenance between the District and FMUD2 (the "Amendment"). She stated the Agreement was updated to reflect the actual construction cost based upon Hurtado's bid for alternate design no. 3b. Ms. Carner next discussed the payment structure to receive funds from FMUD2. She stated that, due to the increased cost, FMUD2 had requested to pay for 50 percent of their total share of the construction costs upfront. Once the deposit is exhausted, as each pay estimate comes, the District will invoice FMUD2 for their share of the pay estimate. Discussion ensued.

Mr. Mr. Khoshakhlagh next requested the Board approve and authorize payment of the invoice from Balcones Field Services, LLC ("BFS") in the amount of \$6,030.00, for work performed in relation to Site No. 005.

UPDATE ON REQUEST FROM ADJACENT LANDOWNER RELATED TO PROPOSED FULSHEAR TRACE EXTENSION

Ms. Khoshakhlagh updated the Board on the request from the adjacent landowner regarding the proposed Fulshear Trace extension, as reflected in his report.

The Board next reviewed a proposed term sheet prepared by ABHR. Following discussion, the Board directed ABHR to finalize the term sheet as discussed and provide the term sheet and recommendations for a buffer prepared by S&A to legal counsel for DJH Ranching LP ("DJH").

OTHER ENGINEERING MATTERS

Mr. Khoshakhlagh discussed correspondence received from a resident on Rose Ridge Drive requesting to access their backyard through District property for pool construction. A copy of the correspondence is attached. He stated Pape-Dawson has reviewed their request and informed the resident that due to the presence of a drainage swale, Pape-Dawson does not recommend accessing District property in the requested location. Mr. Khoshakhlagh stated that the resident was made aware of the District's right of entry policy and requested the Board review the request and advise how to proceed. Following discussion, the Board concurred to deny the resident's request to access District property and directed Mr. Khoshakhlagh to inform the resident of same.

Mr. Khoshakhlagh discussed correspondence received from a resident on Summer Place Court regarding concerns of erosion behind their residence. A copy of the correspondence is attached. He stated that a site visit was conducted on August 25, 2026, and he had no concerns regarding erosion but there was some rutting closer to the high bank of Fulshear Creek. He recommended adding some seed to help stabilize the area. Mr. Khoshakhlagh also noted resident encroachments installed on District property. Following discussion, the Board authorized Gleannloch Landscaping & Maintenance Company ("GLAMCO") to seed the area for an amount not to exceed \$500.00 and requested ABHR to submit a letter to the resident requesting removal of the encroachments on District property.

Mr. Khoshakhlagh updated the Board regarding the Recreation Center within Fulbrook on Fulshear Creek, Section 14, and presented and reviewed Pay Estimate No. 4 and Final in the amount of \$125,625.96, payable to Hurtado. He

reported that \$125,125.96 of Pay Estimate No. 4 is related to park and recreation to be paid by Fulshear Land Partners ("FLP"). Mr. Khoshakhlagh stated that \$500.00 of Pay Estimate No. 4 and Final is the District's responsibility, as it is related to paving improvements that will be paid from the District's Road Construction Funds, and requested approval of the District's paving-related payment. Mr. Khoshakhlagh also recommended the Board accept the facilities.

ANNEXATION REQUESTS AND UTILITY COMMITMENTS, INCLUDING UPDATE ON PROPOSED FEASIBILITY STUDY.

There was no additional discussion regarding this agenda item.

Following review and discussion, and as recommended by the engineer, Director Catchings moved to (1) approve the engineer's report; (2) award the contract for construction of alternate design no. 3b for Site No. 005 of the erosion rehabilitation project to Hurtado in the amount of \$3,512,874.00, based upon the engineer's recommendation and 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; (3) approve and authorize payment of the invoice from BFS in the amount of \$6,030.00, for work performed in relation to Site No. 005; (4) approve Pay Estimate No. 4 and Final in the total amount of \$125,625.96, including the District's paving-related portion in the amount of \$500.00; (4) approve the Amendment and direct that it be filed appropriately and retained in the District's official records; (5) approve the term sheet for the proposed Fulshear Trace extension, revised as discussed, along with recommendations for a buffer prepared by S&A and authorize submittal of the term sheet to legal counsel for DJH; (5) Authorize GLAMCO to seed the area behind Summer Place Court for amount not to exceed \$500.00; and (6) authorize ABHR to send a letter to the resident at Summer Place Court requesting removal of encroachments on District property. Director Laird 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.

PHASE II SMALL MS4 GENERAL PERMIT AND STORM WATER MANAGEMENT PLAN, INCLUDING STATUS OF COMPLIANCE, NECESSARY TRAINING, AND PUBLIC COMMENT

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 Parkside Passage Recreation Center Site Work project, as reflected in his report.

Mr. Sweitzer updated the Board on the Parkside Passage Recreation Center landscape improvements, as reflected in his report. He stated a preconstruction meeting was held with the contractor and a Notice to Proceed was issued on August 24, 2026

Mr. Sweitzer presented and reviewed options for equipment to be installed at the Recreation Center playground, copies of which are attached to the landscape architect's report.

MOWING AND MAINTENANCE OF DISTRICT PROPERTY

Ms. Carner reviewed resident requests received during the prior month and responses to same. She stated she anticipates GLAMCO will provide an update on the pending requests and any related proposals at next month's meeting.

REPORT FROM LAKE MANAGEMENT ON DETENTION FACILITY MAINTENANCE, INCLUDING RELATED PROPOSALS

Ms. Carner provided an update from Lake Management Services, LP ("LMS") regarding the previously approved work for the one-time clean-up of the southern detention facility. She stated LMS confirmed that all of the previously approved work is complete and LMS is now conducting regular maintenance.

REPORT ON DEVELOPMENT

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

CITY OF FULSHEAR (THE "CITY") MATTERS

Ms. Carner reviewed a resolution from the City in support of the Highway 36A project, with the proposed alignment running outside of the City's corporate limits. Discussion ensued.

DISCUSS MEETING SCHEDULE

The Board discussed the regular meeting schedule and concurred to hold the next regular Board meeting on September 23, 2026, at 12:00 p.m. at The Lodge.

COMMENTS FROM THE PUBLIC (CONT'D)

Mr. Raphael addressed the Board regarding erosion repairs along the eastern channel and the time for completion. Mr. Khoshakhlagh stated repairs are expected to be completed in approximately six months.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTIONS 551.071 TEXAS GOVERNMENT CODE AND/OR SECTION 551.072 TEXAS GOVERNMENT CODE

The Board did not convene in executive session.

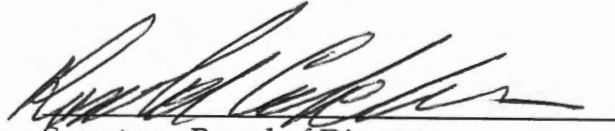
RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board did not convene in executive session.

ENGINEERING MATTERS (CONT'D)

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




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	2
Tax assessor/collector's report	2
Tax rate analysis.....	2
Engineer's report.....	3
Resident Correspondence	4
Landscape architect's report.....	5