

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

August 28, 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 28th day of August, 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 Director Gnospelius, thus constituting a quorum.

Also present at the meeting in person or via teleconference were Leah Troville, a resident of the District; Michelle Townes of McCall Gibson Swedlund Barfoot PLLC; Adam Swonke of Gleannloch Landscaping & Maintenance Company ("Glamco"); Alex Khoshakhlagh of Pape-Dawson Engineers, Inc. ("Pape-Dawson"); Bill Sweitzer of Sweitzer & Associates; Marissa Iguess of Myrtle Cruz, Inc.; Shammari Leon of Bob Leared Interests; Rob Fondren and Dave Cannon of Trend Development, Inc.; Julie Peak of Masterson Advisors LLC ("Masterson Advisors"); and Katie Carner, Allison Leatherwood, and Anne-Marie Bradford of Allen Boone Humphries Robinson LLP ("ABHR").

COMMENTS FROM THE PUBLIC

Ms. Troville addressed the Board regarding previously reported damage to her home from a downed tree due to Hurricane Beryl. Ms. Carner stated that the District's landscape contractor, Glamco, and the Board were notified about the issue and that her residence is on the list for tree removal. Ms. Troville then inquired about the status of the pending insurance claim, and Ms. Carner stated the claim has been filed with the District's insurance carrier.

Ms. Troville requested that Glamco inspect the area behind her property and address unsightly downed trees that are obstructing mowing and maintenance.

## MINUTES

The Board considered approving the minutes of the July 31, 2024, regular meeting. Following review and discussion, Director Catchings moved to approve the minutes of the July 31, 2024, regular meeting, as presented. Director White seconded the motion, which passed unanimously.

## AUDIT FOR FISCAL YEAR END APRIL 30, 2024

Ms. Townes reviewed a draft audit report for the fiscal year ending April 30, 2024. Following review and discussion, Director Tueting moved to approve the audit report, subject to final review, and direct that the audit report be filed appropriately and retained in the District's official records. Director Catchings 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.

Discussion ensued regarding potentially amending the budget to account for erosion rehabilitation and to track costs for reimbursement from the Natural Resources Conservation Service ("NRCS"). The Board requested that an item be added to next month's agenda to consider amending the budget.

Following review and discussion, Director Catchings moved to approve the bookkeeper's report and payment of the bills. Director Verburg 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 99.3% collected as of July 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.

DISCUSSION OF 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING

The Board considered the District's 2024 tax rate. Ms. Peak distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2024 debt service tax rate of \$0.68 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.

Following review and discussion, Director Verburg moved to (1) set the public hearing date for September 25, 2024, at the Lodge within the District; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on September 25, 2024, to set the proposed 2024 total tax rate of \$0.82 per \$100 of assessed valuation, with \$0.68 allocated for debt service and \$0.14 allocated for operations and maintenance. Director Catchings seconded the motion, which passed unanimously.

SERIES 2024 UNLIMITED TAX BONDS

Ms. Peak presented and reviewed the bids received for the sale of the District's \$12,000,000, Series 2024 Unlimited Tax Bonds (the "Bonds"). A summary of the bids received for the Bonds is attached. She stated that the low bid submitted by Robert W. Baird & Co., Inc. ("Baird") with a net effective interest rate of 4.199922% was reviewed and all numbers checked, and everything was found to be correct and consistent with the conditions in the Notice of Sale. Ms. Peak recommended that the District accept the bid from Baird for the Bonds as submitted.

The Board next considered adopting the Resolution Authorizing the Issuance of the District's Bonds (the "Resolution"). Ms. Carner presented and reviewed the proposed Resolution with the Board 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 continuing disclosure and the tax-exempt status of the Bonds.

The Board next considered execution of the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. Ms. Carner reviewed the agreement and the provisions by which the paying agent/registrar will handle registration, transfer, and payment of the District's Bonds.

The Board next considered approving the Official Statement for the Bonds. Ms. Carner explained that the previously approved Preliminary Official Statement would be revised to reflect the terms of this sale, including the purchaser, interest rates, and debt service requirements.

Ms. Carner presented and reviewed a Certificate Regarding Provision of Financial Advice certifying that ABHR has not provided financial advice to the Board concerning the issuance of the Bonds and that the Board has relied on the municipal advisor, Masterson Advisors, for financial advice.

Ms. Carner next explained that there will be various documents related to delivery of the Bonds requiring execution by the directors prior to closing. She requested that the Board authorize the Board of Directors to execute documents necessary in connection with the transaction and authorize the District's attorney and financial advisor to take all necessary action to deliver the Bonds to the purchaser.

The Board noted it approved the payment to the Attorney General for review of the Bonds as described in the bookkeeper's report.

Ms. Carner reviewed an Amendment to the District's Information Form, which she stated reflects the updated total amount of bonds sold by the District, and will be filed with the Texas Commission on Environmental Quality (the "TCEQ") and recorded in the official real property records of Fort Bend County.

Mr. Khoshakhlagh confirmed that the TCEQ has completed its inspection of the detention facilities included in the Bonds that will not be conveyed to the City of Fulshear (the "City").

Following review and discussion, Director Catchings moved to (1) award the sale of the Bonds to Baird with a net effective interest rate of 4.199922%; (2) adopt the Resolution; (3) approve the Paying Agent/Registrar Agreement; (4) approve the Official Statement; (5) approve the Certificate Regarding Provision of Financial Advice; (6) authorize execution of documents related to the sale and delivery of the Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Bonds; and (7) approve the Amendment to the Information Form and direct that it be filed with the TCEQ and in the official real property records of Fort Bend County. Director White 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 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. He stated Pape-Dawson anticipates submitting plans to the City and the TCEQ soon.

## EROSION PROTECTION ALONG FULSHEAR CREEK BANK

Mr. Khoshakhlagh updated the Board regarding bank erosion along Fulshear Creek, as reflected in his report. He and Ms. Carner reported on the meeting held with Fulshear Municipal Utility District No. 2's ("MUD 2") attorney and engineer, the Fort Bend County Drainage District engineer, and the Dowdalls' attorney to discuss the proposed rehabilitation of the eastern channel erosion. Ms. Carner stated that MUD 2 is interested in an alternate solution, which includes restoring both banks. She stated that Pape-Dawson will need access to a portion of the Dowdalls' property to prepare a topographic and boundary survey, and ABHR is preparing a Right of Entry Agreement ("ROE") for the same. She requested authorization for Director Tueting to execute the ROE, subject to finalization.

Mr. Khoshakhlagh then stated the NRCS online portal is active for reimbursement submissions associated with the project.

## 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 stated the notice to proceed will be issued for a September 23, 2024, start date.

## OTHER ENGINEERING MATTERS, INCLUDING RESIDENT REQUESTS

Mr. Khoshakhlagh stated that the erosion at the Kinder Morgan pipeline easement site next to Fulbrook on Fulshear Creek, Section 17 was repaired by Glamco.

Mr. Khoshakhlagh next reported that the damaged street signs and/or posts within Fulbrook on Fulshear Creek, Sections 17, 18, and 19 have been replaced by Hurtado Construction Company ("Hurtado"), as previously approved by the Board. He then recommended approval of an invoice submitted by Hurtado in the amount of \$2,000.00.

Mr. Khoshakhlagh reported that a resident located on Lodge Lake Drive has requested an update regarding the maintenance of the trees behind his property, and Glamco intends to visit the site to provide an update.

#### UTILITY COMMITMENTS

Mr. Khoshakhlagh stated the City has executed the Utility Conveyance and Security Agreement and the Street Acceptance for Fulbrook on Fulshear Creek, Section 17 including lift station no. 10, and recommended the Board approve and execute same. He additionally recommended the Board approve a deed for conveyance of the lift station site to the City.

Following review and discussion and based on the engineer's recommendation, Director Tueting moved to (1) approve the engineer's report; (2) authorize execution of the discussed ROE, subject to finalization; (3) approve the invoice submitted by Hurtado in the amount of \$2,000.00; (4) approve the Utility Conveyance and Security Agreement, the Street Acceptance, and the deed for the lift station site; and (5) authorize filing and recording of the documents as necessary. Director Catchings seconded the motion, which passed unanimously.

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

There was no further discussion regarding this matter.

#### UTILITY CONVEYANCE AND SECURITY AGREEMENTS

There was no further discussion regarding this matter.

#### MAINTENANCE OF SOUTHERN DETENTION FACILITY

Mr. Fondren stated the Fulbrook on Fulshear Creek Homeowners Association (the "HOA") is interested in entering into a cost-sharing maintenance agreement with the District for the ongoing maintenance of the detention facilities throughout the District. Discussion ensued regarding reimbursable costs and potential amenity options. He then reviewed a proposal received by the HOA from Lake Management Services, LP ("Lake Management") for the removal of aquatic vegetation in the amount of \$11,751.48, which the HOA is willing to fund entirely. A copy of the proposal is attached. Following review and discussion, Director Catchings moved to authorize the HOA to accept the proposal from Lake Management in an amount not to exceed \$11,751.48 and authorize ABHR to proceed with preparation of the discussed cost-sharing maintenance agreement. Director Tueting seconded the motion, which passed unanimously.

## 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 reviewed and recommended approval of Change Order No. 1 to increase the contract with Triple E Growers in the amount of \$4,758.60. The Board concurred the change order is beneficial to the District.

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 Nos. 4 and 5 and Final in the amounts of \$33,976.80 and \$15,044.00, respectively, submitted by FenceCrete America, Inc. He further recommended final acceptance of the project.

Mr. Sweitzer then requested authorization to begin design of Phase 1 of a sidewalk system around the southern detention facility.

Following review and discussion, and based on the landscape architect's recommendation, Director White moved to (1) approve the landscape architect's report; (2) approve Change Order No. 1, based on the Board's determination that it is beneficial to the District; (3) approve the recommended pay estimates; (4) accept the recommended project; and (5) authorize design of Phase 1 of the sidewalk trail system. Director Tueting seconded the motion, which passed unanimously.

## MOWING AND MAINTENANCE OF DISTRICT PROPERTY

The Board next reviewed and discussed pending resident requests.

The Board discussed correspondence previously reviewed at the December 13, 2023, Board meeting from a resident on Sunny Meadow Drive regarding the removal of broken tree limbs. Mr. Swonke stated the previously approved work is now complete.

The Board discussed correspondence previously reviewed at the March 27, 2024, Board meeting and additional correspondence received from a resident on Farm Hill Way regarding drainage concerns within their backyard and concerns regarding maintenance behind and adjacent to their residence. Ms. Carner stated the Board approved a proposal at the March 27, 2024, Board meeting for Glamco to regrade behind the fences, remove

dead trees, install select fill, and overseed the bermuda grass in the area. Mr. Swonke stated all previously approved work is now complete.

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 take no action.

The Board discussed correspondence previously reviewed at the May 29, 2024, Board meeting from a resident on Lodge Lake Drive regarding a request to remove a leaning tree adjacent to their property. Mr. Sweitzer stated he visited the property and did not locate any leaning trees. Following discussion, the Board concurred to take no action.

The Board next discussed correspondence previously reviewed at the June 26, 2024, Board meeting from a resident on Creekbend Drive regarding stagnant water behind their property. Mr. Swonke reminded the Board that area is a wetlands reserve. He recommended applying mosquito dunks to the area every 30 days, as needed, in the amount of \$350 per application.

The Board discussed numerous correspondence received from residents and the HOA regarding reports of downed trees due to Hurricane Beryl reviewed at the July 31, 2024, meeting. Mr. Swonke stated Glamco has visited the locations in question and either cleaned up the trees or determined that there is no action needed. The Board then discussed additional correspondence received since the last meeting from residents regarding downed trees in the reserve areas and behind a resident's home on Meadow Wood Drive. Mr. Swonke stated he will assess the areas and prepare proposals for any recommended work for review at the next meeting.

The Board discussed correspondence received from Director White regarding the condition of a large pecan tree located in front of the gym at the Lodge. A copy of the correspondence is attached. Mr. Swonke stated he visited the location and recommends removal and replacement of the tree. He requested authorization to remove the tree and grind the stump in an amount not to exceed \$3,700.00. Discussion ensued, and the Board requested proposals for replacement options.

The Board reviewed correspondence from a resident on Sunny Meadow Drive regarding a request to remove downed trees. A copy of the correspondence is attached. Following discussion, the Board directed Glamco to bring a proposal to the next Board meeting for removal of downed trees throughout the District, due to the significant effects of Hurricane Beryl.

The Board reviewed correspondence from a resident on Meadow Wood Drive regarding a request for rotten or fallen trees to be removed from the wooded area behind



their residence. A copy of the correspondence is attached. Following discussion, the Board directed Glamco to include this area in the proposal for the next Board meeting.

The Board reviewed correspondence from a resident on Cardinal Court regarding a request for timing for a landscape improvements project, improved interim landscape maintenance and potential purchase of Reserve C. A copy of the correspondence is attached. Following discussion, the Board concurred not to sell Reserve C. Ms. Carner reported Mr. Sweitzer had provided an update on the timing of the landscape improvement project and requested that the HOA perform additional interim maintenance in the area.

The Board reviewed correspondence from Director Verburg regarding the maintenance of the area between the lake outfall and the creek, noting that the vegetation is overgrown with large weeds. A copy of the correspondence is attached. Following discussion, the Board requested Glamco mow and maintain the area as it used to be maintained.

Following review and discussion, Director Verburg moved to (1) authorize Glamco to apply mosquito dunks to the areas located adjacent to Creekbend Drive every 30 days, as needed, in the amount of \$350 per application; and (ii) authorize Glamco to remove and stump grind the discussed pecan tree in an amount not to exceed \$3,700.00. Director Catchings seconded the motion, which passed unanimously.

#### REPORT ON DEVELOPMENT

Mr. Cannon and 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, September 25, 2024, at the Lodge in the District.

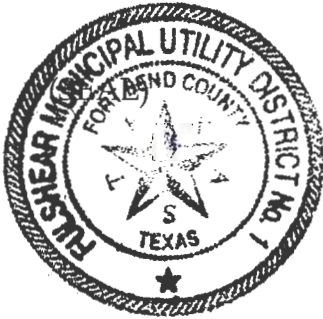
#### COMMENTS FROM THE PUBLIC CONT'D

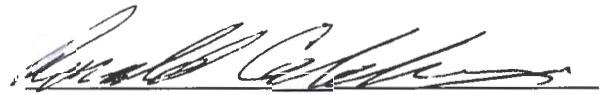
Ms. Troville requested Glamco send someone to assess the downed tree adjacent to her residence on Spanish Moss Trail, and the Board requested Glamco assess the area further.

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

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