

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

September 25, 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 25th day of September, 2024, at the Lodge Welcome Center, 5005 Lodge Lake Drive, Fulshear, Texas, inside 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 Tueting, thus constituting a quorum.

Also present at the meeting in person or via teleconference were Jennifer Vossler 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 ("S&A"); Marissa Iguess of Myrtle Cruz, Inc.; Shammarie Leon of Bob Leared Interests; Dave Cannon of Trend Development, Inc.; Katie Carner, Allison Leatherwood, and Shammara Polk of Allen Boone Humphries Robinson LLP ("ABHR"); and residents of the District as shown on the attached list.

COMMENTS FROM THE PUBLIC

Ms. Troville addressed the Board regarding correspondence sent requesting the District hire an arborist to inspect the condition of trees in the District and to provide an update pertaining to her pending insurance claim. A copy of the correspondence is attached. Ms. Carner stated that her request regarding the condition of trees will be discussed under agenda item no. 12 and that there has not been an update provided regarding her pending insurance claim.

Ms. Troville next addressed the Board regarding orange safety fencing that was placed behind her residence and requested the orange fencing be removed. Ms. Carner stated this matter will be addressed under agenda item no. 12.

MINUTES

The Board considered approving the minutes of the August 28, 2024, regular meeting. Following review and discussion, Director Catchings moved to approve the minutes of the August 28, 2024, regular meeting, as presented. Director Verburg seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

APPROVE DEVELOPER REIMBURSEMENT REPORT FOR SERIES 2024 UNLIMITED TAX BONDS ("SERIES 2024 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 2024 Bonds.

Ms. Carner noted the report reflects that there is approximately \$330,000.00 of surplus funds from the Series 2024 Bonds, which will be discussed further under agenda item no. 8.

Following review and discussion, Director Catchings moved to approve the developer reimbursement report, subject to final review, and authorize the disbursement of the amounts shown in the final reimbursement report. Director White 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 Verburg inquired about the \$18,684.00 overage for professional fees in connection with the \$9,535,000 Series 2023 Road Bonds. Ms. Iguess stated she will investigate the matter further and provide an update at the next Board meeting.

Following review and discussion, Director White 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 99.6% collected as of August 31, 2024.

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.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, AND ADOPT ORDER LEVYING TAXES

Ms. Carner stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2024 total tax rate of \$0.82 per \$100 of assessed valuation.

Ms. Carner opened the public hearing regarding the District's proposed 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. There being no other members of the public in attendance who wished to address the Board, the public hearing was closed.

Ms. Carner then presented an Order Levying Taxes reflecting the proposed 2024 tax rate. She then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with the Texas Commission on Environmental Quality ("TCEQ") and recorded in the Official Public Records of Fort Bend County.

Following review and discussion, Director Catchings moved to (1) adopt the Order Levying Taxes, reflecting the 2024 tax rate of \$0.82 per \$100 of assessed valuation, with \$0.68 allocated for debt service (\$0.24 for water, sewer, and drainage bond debt service and \$0.44 for road bond debt service), and \$0.14 allocated for operations and maintenance; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. 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 has submitted plans to the City of Fulshear (the "City") and the TCEQ and once approval is received Pape-Dawson will advertise the project.

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.

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 is currently designing four of the five sites and once the topographic and boundary survey for site no. 5 is complete, Pape-Dawson will coordinate with Fulshear Municipal Utility District No. 2's ("Fulshear MUD No. 2") engineer for the proposed design and estimated cost for the rehabilitation of the erosion on the eastern channel. Mr. Khoshakhlagh informed the Board that ABHR is working on the Right-of-Entry Agreement with Fulshear MUD No. 2's attorney and the attorney for the Dowdall's.

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 Hurtado Construction Company has started the project and anticipates all work to be completed by mid-October, weather permitting.

AUTHORIZE PREPARATION AND SUBMITTAL OF SURPLUS FUNDS APPLICATION, INCLUDING ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TCEQ FOR USE OF SURPLUS FUNDS

Mr. Khoshakhlagh reviewed a preliminary summary of costs for a proposed surplus funds application, a copy of which is included in the engineer's report. He requested authorization to prepare and submit a surplus funds TCEQ. Ms. Carner presented, and reviewed a draft Resolution Authorizing Application to the TCEQ for use of Surplus Funds.

UTILITY COMMITMENTS

Mr. Khoshakhlagh stated that the Utility Conveyance and Security Agreement and the Street Acceptance for Fulbrook on Fulshear Creek, Section 17 including lift station no. 10 has been recorded with Fort Bend County (the "County") and the District may proceed with cancellation of the insurance policy for lift station no. 10. Ms. Carner stated the cancellation form is ready for execution by the Board.

Mr. Khoshakhlagh stated that the deed for the conveyance of lift station no. 9 site to the City will be placed on the October 15, 2024, City Council agenda for consideration and execution.

Following review and discussion, Director Verburg moved to (1) approve the engineer's report; (2) authorize Pape-Dawson to prepare and submit a surplus funds application to the TCEQ, as discussed; and (3) adopt the Resolution Authorizing Application to the TCEQ for use of Surplus Funds and direct that the Resolution be filed appropriately and retained in the District's official records. 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 regarding this matter.

UTILITY CONVEYANCE AND SECURITY AGREEMENTS

There was no further 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.

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 No. 1 in the amount of \$7,778.02, submitted by Triple E Growers.

Mr. Sweitzer updated the Board on the Southern Detention Facility Sidewalk Improvements, as reflected in his report. He reviewed the plans and specifications and requested the Board authorize S&A to advertise for bids for the Southern Detention Facility Sidewalk Improvements, Phase 1.

Mr. Sweitzer updated the Board on the condition of trees on the north side of Fulbrook on Fulshear Creek, Section 4, as reflected in his report. He reviewed and presented a proposal from Davey Tree Company for a site visit in the amount of \$250.00 and an additional \$200.00 to prepare a written report. Following discussion, the Board concurred to approve the proposal and to engage Davey Tree Company as the district's tree consultant. The Board requested Lodge Lake Drive and Spanish Moss Crossing be included in the inspection and the report for an amount not to exceed of \$1,500.00.

Following review and discussion, and based on the landscape architect's recommendation, Director Catchings moved to (1) approve the landscape architect's report; (2) approve Pay Estimate No. 1 in the amount of \$7,778.02, submitted by Triple E Growers; (3) approve the plans and specifications and to authorize S&A to advertise for bids for the Southern Detention Facility Sidewalk Improvements; and(4) authorize Davey Tree Company to conduct an inspection of trees in the District and to provide a report in an amount not to exceed \$1,500.00, and to authorize execution of a service agreement with Davey Tree Company and direct that the final agreement be filed appropriately and retained in the District's official records. Director White seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS CONT'D

Ms. Vossler provided an update regarding the \$18,684.00 overage for professional fees in connection with the \$9,535,000 Series 2023 Road Bonds. She stated the overage accounted for additional engineering fees for Fulbrook on Fulshear Creek, Section 17 in the amount of \$3,087.00, additional materials testing for Fulbrook on Fulshear Creek, Section 18 in the amount of \$6,681.00 and for Fulbrook on Fulshear Creek, Section 19 in the amount of approximately \$9,000.00.

MOWING AND MAINTENANCE OF DISTRICT PROPERTY

The Board reviewed and discussed pending resident requests.

The Board discussed correspondence previously reviewed at the August 28, 2024, meeting regarding the condition of a large pecan tree located in front of the gym at the Lodge. Mr. Swonke stated the tree will be removed on Tuesday, as previously authorized.

The Board discussed correspondence previously reviewed at the August 28, 2024, meeting regarding a request to remove downed trees. Mr. Swonke reviewed and presented a proposal with two options: (1) five days of cutting, stacking, and chipping of dead/downed trees in the amount of \$10,750.00; and (2) cutting down and hauling off debris including the use of five dumpsters and labor in the amount of \$9,500.00. A copy of the proposal is attached. Following discussion, the Board concurred to approve option 1 in the amount of \$10,750.00 and request that the stacking be done in central areas of the reserves away from adjacent residents' property. Ms. Jones addressed the Board regarding the removal of downed trees behind her residence on Sunny Meadow Drive. Following discussion, the Board requested the area behind Ms. Jones' residence be included in the inspection by Davey Tree Company.

The Board discussed correspondence previously reviewed at the August 28, 2024, meeting 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. Mr. Swonke stated this area is included in the proposal he just discussed.

The Board discussed correspondence previously reviewed at the August 28, 2024, meeting regarding a request for timing for a landscape improvements project, improved interim landscape maintenance and potential purchase of Reserve C. Mr. Swonke stated standard maintenance has been performed in the area.

The Board reviewed correspondence from a resident on Spring Woods Drive regarding a request for green space behind their residence to be maintained. A copy of the correspondence is attached. Following discussion, the Board requested Glamco perform standard maintenance in the area.

The Board reviewed correspondence from residents on Parkside Passage Drive regarding a request for their back fences to be replaced, due to alleged damage from a downed tree during Hurricane Beryl. A copy of the correspondence is attached. Following discussion, the Board requested Glamco bring a proposal to replace the fences to the next Board meeting for the Board's consideration. Mr. Swonke stated he already had replaced damaged pickets.

The Board reviewed correspondence from a resident on Summer Place Court regarding a request to have the area behind their residence mowed past the standard 5 feet. A copy of the correspondence is attached. Following discussion, the Board directed Glamco to continue with the standard mowing of 5 feet behind the fence line.

The Board reviewed correspondence from a resident on Lodge Lake Drive regarding a request for remediation of silt in District ponds. A copy of the correspondence is attached. Following discussion, the Board concurred to defer any action until construction north of the District is complete.

The Board reviewed correspondence from a resident regarding a request for the removal of trailhead signs in the District. A copy of the correspondence is attached. Following discussion, the Board requested the Fulbrook on Fulshear Creek Homeowners Association ("HOA") to remove the signs.

The Board reviewed correspondence from a resident on Spring Woods Drive regarding a request for the removal of broken tree limbs from Hurricane Beryl. A copy of the correspondence is attached. Following discussion, the Board requested Glamco investigate the area.

Following review and discussion, Director Catchings moved to approve Glamco's proposal for option 1 in the amount of \$10,750.00 for the removal of downed trees behind

Sunny Meadow Drive and Meadow Wood Drive, as discussed. Director White seconded the motion, which passed unanimously.

DISCUSS MAINTENANCE OF DISTRICT DETENTION FACILITIES, INCLUDING DEVELOPMENT OF MAINTENANCE AGREEMENT WITH FULBROOK ON FULSHEAR CREEK HOMEOWNERS ASSOCIATION

Ms. Carner updated the Board on discussion from the August 28, 2024, Board meeting regarding a cost sharing agreement between the District and the HOA for shared maintenance of the detention facilities throughout the District. She stated a draft of the agreement will be presented to the Board at the next Board meeting.

REPORT ON DEVELOPMENT

Mr. Cannon reported on development in the District.

ATTORNEY'S REPORT

ANNUAL REPORT

Ms. Carner stated that, as part of the District's continuing disclosure obligations, the District is required to file its annual report with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System, pursuant to SEC Rule 15c2-12. Following review and discussion, Director Verburg moved to approve the Annual Report and direct that the Annual Report be filed appropriately and retained in the District's official records. Director Catchings seconded the motion, which passed unanimously.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance and concurred no changes are needed at this time.

CITY OF FULSHEAR MATTERS

There was no discussion on this agenda item.

NORTH FORT BEND WATER AUTHORITY MATTERS ("NFBWA"), INCLUDING PRELIMINARY 2025 FEES

Ms. Carner reviewed and presented the Notice of Preliminary 2025 Fees from the NFBWA, a copy of which is attached.

The Board requested a representative of the NFBWA attend the next Board meeting and to provide reports periodically of any updates.

DISCUSS MEETING SCHEDULE

The Board concurred to hold their next regular meeting on Wednesday, October 23, 2024, at ABHR.

COMMENTS FROM THE PUBLIC CONT'D

Ms. Jones addressed the Board regarding the completion of the James Lane water line extension project. Mr. Khoshakhlagh provided an update on the project.

Ms. Jones next addressed the Board regarding whether James Lane would be widened. Mr. Khoshakhlagh stated Fort Bend County is working on plans for pavement resurfacing.

Ms. Camargo addressed the Board regarding a sidewalk extension along Fulshear Trace. Mr. Sweitzer stated there is no plan to extend the sidewalk at this time.

Mr. Courville inquired regarding why the District's ponds do not contain fountains.

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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