

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

February 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 February, 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 Verburg, thus constituting a quorum.

Also present at the meeting in person or via teleconference were Don and Jacqui Fryhofer and Nico Jansen Van Rensburg, residents of the District; Alex Khoshakhlagh of Pape-Dawson Engineers, Inc. ("Pape-Dawson"); Bill Sweitzer of Sweitzer & Associates ("S&A"); Marissa Iguess of Myrtle Cruz, Inc.; Julie Peak of Masterson Advisors LLC; Shammarie Leon of Bob Leared Interests; Dave Cannon of Trend Development, Inc.; Matt Froelich of BGE, Inc.; Whitney Milberger of the North Fort Bend Water Authority ("NFBWA"); Adam Swonke of Gleannloch Landscaping & Maintenance Company ("Glamco"); and Katie Carner, Allison Leatherwood, and Shammara Polk of Allen Boone Humphries Robinson LLP ("ABHR").

COMMENTS FROM THE PUBLIC

Mr. Fryhofer addressed the Board regarding correspondence sent and concerns previously discussed at the January 24, 2024, and other prior Board meetings regarding landscape maintenance behind Fulbrook on Fulshear Creek, Section 9. A copy of the correspondence is attached.

Mr. Van Rensburg addressed the Board regarding landscape maintenance behind Fulbrook on Fulshear Creek, Section 9 and drainage concerns on and adjacent to his property on Farm Hill Way. A copy of the correspondence is attached. He stated he also was concerned that grass clippings from landscape maintenance on the District's property were being deposited in his yard due to the angle of the trimming. Mr. Swonke stated he would address that with his crew.

MINUTES

The Board considered approving the minutes of the January 24, 2024, regular meeting. Following review and discussion, Director Catchings moved to approve the minutes of the January 24, 2024, regular meeting, as presented. Director Tueting seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

Ms. Carner noted that the winter weather preparedness tips will be removed from the District's website tomorrow.

ARBITRAGE REBATE MATTERS

Ms. Carner reviewed the OmniCap Group LLC's arbitrage rebate report for the District's Series 2018 Road Bonds and stated no rebate is due to the Internal Revenue Service.

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 White seconded the motion, which passed unanimously.

Ms. Peak reviewed a bond capacity analysis, a copy of which is attached. She requested the Board authorize Pape-Dawson to proceed with the preparation of a cost summary for a water, sewer, and drainage bond application in an amount not to exceed \$12,000,000. Following discussion, the Board concurred to authorize Pape-Dawson to prepare a begin preparing a bond application for an amount not to exceed \$12,000,000.

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 92.2% collected as of January 31, 2024.

Following review and discussion, Director Tueting 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 CONCERNING EXEMPTIONS FROM TAXATION

The Board considered the optional exemptions from taxation for the 2024 tax year, including a general residential homestead exemption and a homestead exemption for

disabled persons or persons over 65 years of age. Ms. Peak reviewed an analysis of tax rate exemptions, a copy of which is attached. Following review and discussion, Director Tueting moved to adopt the Resolution Concerning Exemptions from Taxation, granting an exemption in the amount of \$20,000 of the appraised value of the homestead property for residents over the age of 65 or disabled and rejecting the general residential homestead exemption from ad valorem taxation, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Catchings seconded the motion, which passed unanimously.

NFBWA MATTERS

Ms. Milberger introduced herself to the Board and discussed documentation available to the public to assist in a better understanding of the NFBWA and the services it provides. Mr. Froelich discussed why the NFBWA was created and updated the Board on the proposed schedule for the future delivery of surface water to property within the City of Fulshear. Discussion ensued. Following discussion, the Board requested ABHR post a link to the NFBWA's website on the District's website.

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. Ms. Carner reviewed and presented a draft Interlocal Agreement between the City of Fulshear (the "City") and the District for the James Lane Water Line Extension project. She stated the City has agreed to directly fund the engineering costs for this project and requests the District consider a definite time period for conveying approximately 23 acres for the park land contribution to the City if the city is going to credit park fees. Following discussion, the Board concurred to remove any references to the City crediting park fees entirely and that the District would increase its cash contribution to cover the approximate \$9,000.00 cost difference. Mr. Khoshakhlagh requested the Board authorize Pape-Dawson to begin the design of water, sewer, and drainage improvements for Fulbrook on Fulshear Creek, Section 11 and to approve and execute amended Work Order No. 71 based on S&A's new land plan.

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. Mr. Khoshakhlagh requested the Board authorize Pape-Dawson to begin

the design of paving improvements for Fulbrook on Fulshear Creek, Section 11 and to approve and execute the amended Work Order No. 72 based on S&A's new land plan.

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. 3 in the amount of \$166,725.00, submitted by Hurtado Construction Company ("Hurtado").

EROSION PROTECTION ALONG FULSHEAR CREEK BANK

Mr. Khoshakhlagh updated the Board regarding bank erosion along Fulshear Creek, as reflected in his report. He reviewed and presented an updated cost estimate, which is included in the engineer's report. Ms. Carner reviewed and presented an application letter to the Natural Resources Conservation Service ("NRCS"). She requested the Board and any residents who live along the creek provide photographs or video of damage during the heavy rains in late January to provide to the NRCS. Ms. Carner informed the Board that the application must be submitted within 60 days of a disaster event and that should the NRCS not approve the application, the next step would be to file a claim with the Federal Emergency Management Agency.

REQUEST FROM CITY OF FULSHEAR FOR JAMES LANE WATER LINE EXTENSION

There was no further discussion regarding this agenda item.

CHANNEL EROSION EAST OF DISTRICT BOUNDARY

Mr. Khoshakhlagh updated on the Board on discussion from the January 24, 2024, Board meeting and prior Board meetings regarding correspondence received pertaining to erosion concerns adjacent to District property east of Fulbrook on Fulshear Creek, Section 4 near Trickle Creek Court, as reflected in his report. He stated that the Fort Bend County Drainage District ("FBCDD") recommended Pape-Dawson contact Fulshear Municipal Utility District No. 2 ("Fulshear MUD No. 2") as the FBCDD believes Fulshear MUD No. 2 is responsible for the erosion and should work to remediate the issue. Ms. Carner stated that she will work with Pape-Dawson to inform Fulshear MUD No. 2 of the District submitting an application to the NRCS.

OTHER ENGINEERING MATTERS, INCLUDING RESIDENT REQUESTS

Mr. Khoshakhlagh discussed correspondence from a resident on Farm Hill Way regarding drainage concerns within their backyard and concerns regarding maintenance behind and adjacent to their residence. A copy of the correspondence is included in the engineer's report. He stated Pape-Dawson has reviewed the lot grading and believes the homeowner needs to contact their home builder and that Glamco is looking to the maintenance of the previously discussed area. Following discussion, the Board concurred to request Glamco prepare a proposal to regrade the area beyond the resident's fence and to maintain it thereafter to ensure proper drainage.

The Board discussed correspondence previously reviewed at the January 24, 2024, and other prior Board meetings regarding landscape maintenance behind Fulbrook on Fulshear Creek, Section 9. The board discussed correspondence and public comment from earlier in today's meeting related to drainage concerns in the area. Mr. Swonke reviewed and presented a proposal for quarterly maintenance behind Fulbrook on Fulshear Creek, Section 9 in the amount of \$350.00 per visit, a copy of which is attached. Following discussion, the Board concurred to approve the proposal to ensure proper maintenance of the District's drainage facilities.

Following review and discussion and based on the engineer's recommendation, Director Tueting moved to (1) approve the engineer's report; (2) approve the Interlocal Agreement between the City and the District for the James Lane Water Line Extension Project, subject to finalization, as discussed; (3) authorize Pape-Dawson to begin the design for water, sewer, and drainage improvements for Fulbrook on Fulshear Creek, Section 11; (4) approve amended Work Order No. 71, as discussed; (5) authorize Pape-Dawson to begin the design of paving improvements for Fulbrook on Fulshear Creek, Section 11; (6) approve amended Work Order No. 72, as discussed (7) approve Pay Estimate No. 3 in the amount of \$166,725.00, submitted by Hurtado; (8) authorize submittal of the application letter to NRCS for the bank stabilization project; (9) approve Glamco's proposal for quarterly maintenance in Fulbrook on Fulshear Creek, Section 9, as discussed; and (10) authorize Glamco to prepare a proposal for regrading behind Farm Hill Way, as discussed. Director Catchings seconded the motion, which passed unanimously.

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

The Board reviewed a proposal from Berg Oliver Associates, Inc. ("Berg Oliver") in the amount of \$2,900.00 to conduct a phase I environmental assessment for Reserves B, E, G, and H within Fulbrook on Fulshear Creek, Section 4. Following review and discussion, Director Catchings moved to approve the proposal from Berg Oliver

Associates, Inc. Director Tueting seconded the motion, which passed unanimously.

UTILITY COMMITMENTS

There was no discussion on this agenda item.

UTILITY CONVEYANCE AND SECURITY AGREEMENTS

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 project, as reflected in his report. He stated that ownership of the portion of Reserve A to be used for construction of the pavilion and swimming pool is being conveyed to the Fulbrook on Fulshear Creek Homeowners Association.

Mr. Sweitzer updated the Board on the status of the Landscape Development of Section 7, as reflected in his report. He stated the plans are being completed to advertise for bids.

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 stated that three bids were received for construction of the Greenway Enhancements Perimeter Walls to serve Fulbrook on Fulshear Creek, Sections 5, 6, 7, and 19, including the repair of damaged walls. Mr. Sweitzer recommended that the Board award the contract to Fencecrete ("Fencecrete") in the amount of \$150,442.00. The Board concurred that, in its judgment, Fencecrete 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.

Following review and discussion, and based on the landscape architect's recommendation, Director Catchings moved to (1) approve the landscape architect's report; and (2) award the contract for construction of Greenway Enhancements of Perimeter Walls to serve Fulbrook on Fulshear Creek, Sections 5, 6, 7, and 19 including repair of damaged walls to Fencecrete in the amount of \$150,442.00, based upon the landscape architect'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. Director Tueting seconded the motion, which passed unanimously.

MOWING AND MAINTENANCE OF DISTRICT PROPERTY

Mr. Swonke updated the Board on mowing and maintenance in the District.

The Board reviewed and discussed pending resident requests.

The Board discussed correspondence previously reviewed at the August 23, 2023, Board meeting from a resident on West Farm Way regarding a possible irrigation leak near the border of their yard, drainage issues on District property, and requesting the removal of a dead tree behind their residence. Mr. Swonke stated the catch basins to improve drainage in the area have been installed.

The Board discussed correspondence previously reviewed at the October 25, 2023, Board meeting from a resident on Founders Pecan Street regarding the clearing of overgrowth along their fence line. Following discussion, the Board concurred to approve a proposal in the amount of \$1,200.00 from Glamco to clean up the overgrowth.

The Board discussed correspondence previously reviewed at the October 25, 2023, Board meeting from a resident on Wild Garden Way regarding erosion concerns behind their residence. Mr. Swonke stated the area is currently too wet to complete the previously authorized work. He stated once the area is dry the area will be regraded and the two pallets of bermuda grass will be laid.

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 that it is currently too wet to complete the previously authorized work, and the removal will most likely take place closer to the summer.

The Board reviewed correspondence from a resident on Spanish Moss Crossing regarding concerns of a dead tree behind their residence. A copy of the correspondence is attached. Mr. Swonke stated the tree was removed.

The Board reviewed correspondence from a resident on Spring Woods Drive requesting the removal of ragweed and requesting maintenance behind their residence. A copy of the correspondence is attached. Mr. Swonke stated that this area is being handled today and will be included on the current maintenance schedule.

Following review and discussion, Director Tuetting moved to approve the proposal in the amount of \$1,200.00, as discussed. Director Catchings seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT

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

CITY OF FULSHEAR MATTERS

There was no discussion on this agenda item.

COMMENTS FROM THE PUBLIC CONT'D

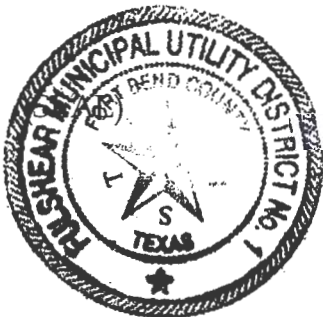
Mr. Fryhofer thanked the Board for approving quarterly maintenance behind Fulbrook on Fulshear Creek, Section 9.

Mr. Van Rensburg requested the contact information for Perry Homes and Mr. Khoshakhlagh advised that he would contact Perry Homes and copy Mr. Van Rensburg to get the discussions started.

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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