

MINUTES  
FIRST COLONY MUNICIPAL UTILITY DISTRICT NO. 10

August 14, 2024

The Board of Directors (the "Board") of First Colony Municipal Utility District No. 10 (the "District") met in regular session open to the public, on the 14<sup>th</sup> day of August, 2024, at the offices of First Colony Community Services Association ("FCCA"), 4350 Austin Parkway, Sugar Land, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Vacant	President
Zac Cypert	Vice President
John E. Peper	Secretary
Stephen D. Higgins	Assistant Vice President
Marta Mohan	Assistant Secretary

and all of the above were present in person, except Director Cypert, thus constituting a quorum.

Also present for all or part of the meeting were Greg McGrath of McGrath & Co., PLLC ("McGrath"); David Smalling of Robert W. Baird & Co. Incorporated; Leigh Vitols of McLennan & Associates, L.P; Brenda McLaughin of Bob Leared Interests, Inc.; Bill Grantham of FCCA; and Kia Fields and Maricela Guerrero of Allen Boone Humphries Robinson LLP ("ABHR"). Greer Pagan of ABHR attended the meeting by teleconference.

PUBLIC COMMENTS

There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of the June 12, 2024, regular meeting. Following review and discussion, Director Peper moved to approve the meeting minutes, as written. Director Mohan seconded the motion, which passed unanimously.

REPORT REGARDING NEW DEVELOPMENT IN THE DISTRICT

Mr. Pagan reported no further progress on the proposed development of a 6.5-acre tract by The Morgan Group.

INQUIRY REGARDING CONVEYANCE OF DISTRICT PROPERTY

Mr. Pagan reported no further progress on the proposed land swap with Planned Community Developers, Ltd.

AUTHORIZE AUDITOR TO CONDUCT AUDIT

The Board considered engaging McGrath to conduct the District’s audit for the fiscal year ending July 31, 2024. Mr. McGrath stated that the fee to conduct the audit is estimated to be \$12,500.00.

Discussion ensued regarding the proposed transfer of the District to the City of Sugar Land (the “City”), and following discussion, the Board directed Mr. Pagan to discuss the transfer with the City and request that the City attend the next Board meeting.

After review and discussion, Director Higgins moved to authorize McGrath to conduct the District’s audit for the fiscal year ending July 31, 2024. Director Mohan seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Vitols presented the bookkeeper’s report, including the investment report and the invoices for payment. A copy of the bookkeeper’s report is attached.

Discussion ensued regarding the District’s annual audit and the payment totaling \$271,790.51 the District made to FCCA for maintenance and repair services performed for District facilities that had not been previously submitted to the Board for approval and payment.

Following review and discussion, Director Mohan moved to approve the bookkeeper’s report and authorize payment of the invoices as presented. Director Peper seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS AND AUTHORIZE COLLECTION OF DELINQUENT TAXES

Ms. McLaughin reviewed the tax assessor/collector’s reports for June and July, 2024, including a list of the checks presented for approval. Copies of the tax assessor/collector’s reports are attached. Ms. McLaughin reported that the District’s 2023 taxes were 98.5% collected as of July, 2024.

Ms. McLaughin reviewed a delinquent tax report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. A copy of the delinquent tax report is attached.

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

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2024 TAX YEAR

Mr. Pagan discussed the “truth-in-taxation” property tax calculations and tax levy

process for water districts. He 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. He 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 Developed District for the 2024 tax year. Following review and discussion, Director Higgins moved to adopt a Resolution Regarding Development Status for 2024 Tax Year establishing the District as a Developed District for the 2024 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the resolution be filed appropriately and retained in the District's official records. Director Mohan seconded the motion, which passed unanimously.

DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2024 tax rate. Mr. Smalling distributed and reviewed a debt service tax rate analysis, a copy of which is attached. Mr. Smalling recommended a total tax rate of \$0.125 per \$100 of assessed valuation based on the District's initial 2024 certified value of \$595,657,069, comprised of a debt service tax rate of \$0.035 per \$100 assessed valuation and an operation and maintenance tax rate of \$0.09 per \$100 assessed valuation. Mr. Pagan discussed the two-step process for setting the District's tax rate.

Mr. Smalling responded to questions regarding the property tax rebates paid to the District by the City. Ms. Vitols stated that she will review the records and report back on any payments received during 2024.

Following review and discussion, Director Higgins moved to authorize the tax assessor/collector to publish notice in a qualified local newspaper of the District's public hearing on September 11, 2024 or October 9, 2024, subject to confirmation of a quorum, to set the proposed 2024 total tax rate of \$0.125 per \$100 of assessed valuation, with \$0.035 allocated for debt service and \$0.09 allocated for operations and maintenance. Director Mohan seconded the motion, which passed unanimously.

APPROVE DESIGN AND REVIEW BIDS AND AWARD CONTRACT FOR CONSTRUCTION OF WATER LINE RELOCATION FOR PEARL SITE

There was no discussion regarding this matter.

MAINTENANCE AND REPAIR OF DISTRICT FACILITIES (FCCA), COMMUNITY DEVELOPMENT PROJECTS, BROOKS LAKE TRAIL, AND LONG-TERM PARK PLANNING AND PROJECT DEVELOPMENT

In response to Mr. Grantham's inquiry regarding the status of the District's payment of the additional outstanding invoices in the amount of \$32,653.60 for FCCA's maintenance and repair services performed for District facilities that had not been previously submitted to the Board for approval and payment, the Board directed Mr. Grantham to work with the District's bookkeeper and ABHR to verify the outstanding invoices are for services performed for additional District maintenance and repairs, as directed and approved by the Board.

Mr. Grantham reviewed a cost estimate from The Urban Foresters for the District to complete annual tree trimming in the total amount of \$4,800.00, a copy of which is attached.

Mr. Grantham reviewed current invoices for FCCA's maintenance and repair services performed for District facilities. Discussion ensued regarding payment responsibility for such services under the District's Maintenance Agreement for Recreational Facilities with FCCA, which such terms Mr. Grantham stated FCCA would verify and report back to the Board.

Discussion ensued regarding maintenance of vacant property near the District, including FCCA's plans to work with the City to address.

Following review and discussion, Director Mohan moved to: (1) approve the proposal for annual tree trimming in the total amount of \$4,800.00, as presented; and (2) authorize Director Higgins to work with FCCA on approval of up to \$10,000.00 for maintenance and repair services performed for District facilities. Director Peper seconded the motion, which passed unanimously.

DISCUSS APPOINTING A NEW DIRECTOR, INCLUDING PROCEDURES FOR SELECTION OF CANDIDATES

The Board generally discussed appointing a new Director to the Board.

MEETING SCHEDULE

Following discussion, the Board concurred to hold a regular meeting on September 11, 2024 or October 9, 2024, subject to confirmation of a quorum.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

[SIGNATURE PAGE FOR THE MINUTES OF THE AUGUST 14, 2024, BOARD MEETING]

  
Secretary, Board of Directors

(SEAL)



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