

MINUTES
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

September 21, 2021

The Board of Directors (the "Board") of Galveston County Municipal Utility District No. 68 (the "District") met in regular session, open to the public, on the 21st day of September, 2021, at Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Suzanne Ross	President
Robert Eaton	Vice President
John Bays	Secretary
Cory Burton	Assistant Secretary
Bobby Rich	Assistant Vice President

and all of the above were present except Directors Eaton and Bays, thus constituting a quorum.

Also attending the meeting in person or by telephone were Renee Butler of McLennan & Associates, L.P.; Odett McMullen of Bob Leared Interests; Jason Robinett of Costello, Inc.; Scott Gray of Champions Hydro-Lawn, Inc.; Tim Applewhite of McGrath & Co., PLLC; Arturo Gonzalez of M/I Homes of Houston, LLC ("M/I Homes"); Michael Kaska of KB Home Lone Star, Inc. ("KB Home"); and Tim Austin and Kathryn Easey of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

There were no public comments.

OPERATIONS AND SERVICE REQUIREMENTS RELATING TO COVID-19 EPIDEMIC AND RATIFICATION OF ANY EMERGENCY ACTIONS, IF NECESSARY

Ms. Easey generally reviewed operations and service requirements relating to the COVID-19 epidemic and stated there were no issues to report at this time. The Board took no action on this agenda item.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McMullen presented and reviewed the tax assessor/collector's report for the month of August, including the bills presented for payment and the delinquent tax roll. A copy of the tax report is attached. After review and discussion, Director Burton moved to approve the tax assessor/collector's report and payment of the tax bills. Director Rich seconded the motion, which passed unanimously.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Easey stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2021 total tax rate of \$0.864.

Director Ross opened the public hearing. There being no comments from the public, Director Ross closed the public hearing.

Ms. Easey presented an Order Levying Taxes reflecting the proposed 2021 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 Galveston County.

After review and discussion, Director Rich moved to (1) adopt the Order Levying Taxes reflecting a total 2021 tax rate of \$0.864 per \$100 of assessed valuation, comprised of \$0.64 to pay debt service on water, sewer, and drainage bonds, and \$0.224 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 Burton seconded the motion, which passed unanimously.

APPROVE MINUTES

The Board considered approving the minutes of the August 17, 2021, meeting. After review and discussion, Director Ross moved to approve the minutes as submitted. Director Burton seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR ENDED MAY 31, 2021

Mr. Applewhite presented and reviewed the draft audit for the fiscal year ended May 31, 2021. Following review and discussion, Director Burton moved to approve the audit, subject to final review, and direct that the audit be filed appropriately and retained in the District's official records. Director Rich seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Butler presented and reviewed the bookkeeper's report and the investment report, copies of which are attached. Following review and discussion, Director Ross moved to approve the bookkeeper's report and investment report, and to authorize payment of the District's bills. Director Rich seconded the motion, which passed unanimously.

ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy, and Mr. Austin stated that neither ABHR nor the bookkeeper have any recommended changes. Following review and discussion, Director Burton moved to adopt a Resolution Regarding Annual Review of Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which passed unanimously.

RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Mr. Austin reviewed a Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. He next reviewed a list of qualified broker/dealers provided by the District's bookkeeper, a copy of which is attached. Following review and discussion, Director Burton moved to adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which passed unanimously.

MS4 STORM WATER MANAGEMENT MATTERS

There was no update regarding MS4 storm water management matters.

ENGINEERING MATTERS

Mr. Robinett presented and reviewed a report on engineering matters, a copy of which is attached.

Mr. Robinett updated the Board regarding the status of plan approval for the paving and water, sewer, and drainage facilities to serve Sunset Grove, Section 4, and the paving and water, sewer, and drainage facilities to serve Trails at Woodhaven Lakes, Section 1.

Mr. Robinett updated the Board regarding the status of advertising for rebids for the mass grading project to serve Trails at Woodhaven Lakes.

Mr. Robinett updated the Board regarding construction of the detention pond and mass grading improvements to serve Ambrose. He reviewed and recommended approval of Pay Estimate No. 6 in the amount of \$114,193.88, payable to Paskey, Inc.

Mr. Robinett updated the Board regarding construction of the Phase II Detention Improvements and Mass Grading for Sunset Grove, Sections 3, 4, 5, 6 and Partial Ambrose Section 1 and Ditch 9G Improvements. He reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$363,319.51 (\$165,004.87 of which is KB Home's share of the cost and \$198,314.64 of which is M/I Homes' share of the cost), payable to Longhorn Excavators, Inc.

Mr. Robinett updated the Board regarding construction of the paving and water, sewer, and drainage facilities to serve Sunset Grove, Section 3. He reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$399,369.15, payable to R Construction Civil, LLC.

Mr. Robinett updated the Board regarding construction of the water, sewer, and drainage facilities to serve Ambrose, Section 1. He stated he had no items for the Board's approval.

Mr. Robinett stated bond application no. 4 was submitted to the TCEQ on September 20, 2021.

Following review and discussion, Director Ross moved (1) to approve the engineer's report; (2) based on the engineer's recommendation, to approve Pay Estimate No. 6 in the amount of \$114,193.88 for construction of the detention pond and mass grading improvements to serve Ambrose; (3) based on the engineer's recommendation, to approve Pay Estimate No. 4 in the amount of \$363,319.51 (\$165,004.87 of which is KB Home's share of the cost and \$198,314.64 of which is M/I Homes' share of the cost) for construction of the Phase II Detention Improvements and Mass Grading for Sunset Grove, Sections 3, 4, 5, 6 and Partial Ambrose Section 1 and Ditch 9G Improvements; and (4) based on the engineer's recommendation, to approve Pay Estimate No. 1 in the amount of \$399,369.15 for construction of the paving and water, sewer, and drainage facilities to serve Sunset Grove, Section 3. Director Burton seconded the motion, which passed unanimously.

ANNEXATION MATTERS

Mr. Robinett updated the Board on the status of the proposed annexation. He reported Houston LD, LLC canceled the purchase contract for the 47.4515 acre tract and will not be going forward with the annexation.

DETENTION POND AND OUTFALL CHANNEL FACILITIES REPORT

Mr. Gray presented and reviewed the detention and drainage facilities report, a copy of which is attached.

REPORT REGARDING DEVELOPMENT

Mr. Kaska and Mr. Gonzalez generally reviewed development plans for the District.

NEXT MEETING DATE AND AGENDA ITEMS

Following discussion, the Board concurred to hold its next meeting on October 19, 2021, at 11:30 a.m.

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

SEAL



Asst.


Secretary, Board of Directors

ATTACHMENTS TO MINUTES

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