

MINUTES
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

January 18, 2022

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 18th day of January, 2022, 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 Bays and Burton, thus constituting a quorum.

Also attending the meeting in person or by telephone were Renee Butler of McLennan & Associates, L.P.; David Corbin and Jason Robinett of Costello, Inc.; Scott Gray of Champions Hydro-Lawn, Inc.; Spencer Day of Masterson Advisors LLC; Bill Frey of Frey Development Companies, Inc.; Michael Kaska of KB Home Lone Star, Inc.; Arturo Gonzalez and Nathan Edmunds of M/I Homes of Houston; and Heather Trachtenberg, Kathryn Easey and Melissa Padilla of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

There were no public comments.

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.

APPROVE MINUTES

The Board considered approving the minutes of the January 6, 2022, meeting. After review and discussion, Director Ross moved to approve the minutes as submitted. Director Rich seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

On behalf of Bob Leared Interests, Ms. Easey reported 66.9% of the District's 2021 taxes have been collected as of January 18, 2022.

DETENTION POND AND OUTFALL CHANNEL FACILITIES REPORT

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

MS4 STORM WATER MANAGEMENT MATTERS

There was no update regarding MS4 storm water management matters.

ENGINEERING MATTERS

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

Mr. Corbin updated the Board regarding the status of plan approval for the paving and water, sewer, and drainage facilities to serve Trails at Woodhaven Lakes, Section 1. He stated the plans were approved by the City of LaMarque (the "City") on January 12, 2022, but the City is not going to credit the developer for impact fees for the cost of the lift station at this time, but indicated it will do so at a future date. He reported the developer is proceeding with the installation of a temporary pump in the lift station while the facilities are being constructed.

Mr. Corbin 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. 8 in the amount of \$49,365.09 payable to Paskey, Inc.

Mr. Corbin 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 stated he had no items for the Board's approval.

Mr. Corbin 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. 5 in the amount of \$591,391.44 (\$153,681.25 of which is for water, sewer and drainage and \$437,710.19 of which is for paving), payable to R Construction Civil, LLC.

Mr. Corbin updated the Board regarding construction of the water, sewer, and drainage facilities to serve Ambrose, Section 1. He reviewed and recommended

approval of Pay Estimate No. 5 in the amount of \$39,095.25, payable to Blazey Construction Services, LLC.

Mr. Corbin updated the Board regarding construction of the paving and water, sewer, and drainage facilities to serve Sunset Grove, Section 4. He stated a Notice to Proceed was issued on January 10, 2022. He stated he had no items for the Board's approval.

Mr. Corbin updated the Board regarding construction of the mass grading project at Trails at Woodhaven Lakes. He stated he had no items for the Board's approval.

Following review and discussion, Director Eaton moved (1) to approve the engineer's report; (2) based on the engineer's recommendation, to approve Pay Estimate No. 8 in the amount of \$49,365.09 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. 5 in the amount of \$591,391.44 (\$153,681.25 of which is for water, sewer and drainage and \$437,710.19 of which is for paving) for construction of the paving and water, sewer, and drainage facilities to serve Sunset Grove, Section 3; and (4) based on the engineer's recommendation, to approve Pay Estimate No. 5 in the amount of \$39,095.25 for the construction of the water, sewer, and drainage facilities to serve Ambrose, Section 1. Director Ross seconded the motion, which passed unanimously.

UNLIMITED TAX BONDS, SERIES 2022

Mr. Day presented and reviewed a summary of the bids received for the sale of the District's \$1,800,000 Unlimited Tax Bonds, Series 2022 (the "Series 2022 Bonds"), a copy of which is attached. He stated the low bid submitted by RBC Capital Markets ("RBC") with a net effective interest rate of 2.749705% was reviewed and all numbers checked, and everything was found to be correct and consistent with the conditions in the Notice of Sale. Mr. Day recommended that the District accept the bid of RBC for the Series 2022 Bonds as submitted. He reported the Series 2022 Bonds qualified for bond insurance.

The Board next considered adopting the Resolution Authorizing the Issuance of the District's Series 2022 Bonds (the "Resolution"). Ms. Trachtenberg presented and reviewed the proposed Resolution with the Board, which included explanation that the documents set forth the terms and provisions of issuance and delivery of the Series 2022 Bonds, the payment of principal and interest over the life of the Series 2022 Bonds, and certain District covenants regarding continuing disclosure and the tax-exempt status of the Series 2022 Bonds.

The Board next considered execution of the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. Ms. Trachtenberg reviewed the agreement and the provisions by which the paying agent/registrar will handle registration, transfer, and payment of the District's Series 2022 Bonds.

The Board next considered approving the Official Statement for the Series 2022 Bonds. Ms. Trachtenberg explained that the Preliminary Official Statement would be revised to reflect the terms of this sale, including the purchaser, interest rates, and debt service requirements.

Ms. Trachtenberg next explained that there will be various documents related to delivery of the Series 2022 Bonds requiring execution by the directors prior to closing. She requested 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 Series 2022 Bonds to the purchaser.

Ms. Trachtenberg presented and reviewed the Certificate Regarding Provision of Financial Advice certifying that ABHR has not provided financial advice to the Board concerning the issuance of the Series 2022 Bonds and that the Board has relied on the municipal advisor, Masterson Advisors LLC, for financial advice.

Ms. Trachtenberg stated that payment is required by the Texas Attorney General for review of the transcript for the Series 2022 Bonds. The Board considered approving the payment to the Attorney General relating to bond issue transcript review.

Ms. Trachtenberg 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 ("TCEQ") and recorded in the official property records of Galveston County.

Following review and discussion, Director Rich moved to (1) award the sale of the Series 2022 Bonds to RBC with a net effective interest rate of 2.749705%; (2) adopt the Resolution; (3) approve the Paying Agent/Registrar Agreement; (4) approve the Official Statement; (5) authorize execution of documents related to the sale and delivery of the Series 2022 Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2022 Bonds; (6) approve the Certificate Regarding Provision of Financial Advice; (7) approve the payment to the Attorney General relating to bond issue transcript review; and (8) adopt the Amendment to Information Form and direct that it be filed with the TCEQ and recorded in the official property records of Galveston County and retained in the District's records. Director Eaton seconded the motion, which passed unanimously.

REPORT REGARDING DEVELOPMENT

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

NEXT MEETING DATE AND AGENDA ITEMS

Following discussion, the Board concurred to hold its next meeting on February 15, 2022, at 11:30 a.m.

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



Secretary, Board of Directors

SEAL



ATTACHMENTS TO MINUTES

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