

MINUTES  
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

February 15, 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 15<sup>th</sup> day of February, 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 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 Newman of Bob Leared Interests; David Corbin and Jason Robinett of Costello, Inc.; Scott Gray of Champions Hydro-Lawn, Inc.; Spencer Day of Masterson Advisors LLC; Greg McGrath of McGrath & Co., PLLC; Bill Frey of Frey Development Companies, Inc.; Nathan Edmunds of M/I Homes of Houston ("M/I Homes"); and Heather Trachtenberg and Kathryn Easey of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENT

There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of the January 18, 2022, meeting. After review and discussion, Director Ross moved to approve the minutes as submitted. Director Rich seconded the motion, which passed unanimously.

DEVELOPER REIMBURSEMENT REPORT FOR SERIES 2022 UNLIMITED TAX BONDS

Mr. McGrath reviewed the reimbursement report reflecting the amounts reimbursable by the District to Saltgrass 300, Ltd., Brenwood South Interests, Ltd., and KB Home Lone Star, Inc. ("KB Home") for construction of the projects funded by the District's \$1,800,000 Unlimited Tax Bonds, Series 2022 (the "Bonds"). Following review

and discussion, Director Burton moved to approve the developer reimbursement report for the Bonds, pending finalization. Director Ross 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 (1) approve the bookkeeper's report and investment report, (2) authorize payment of the District's bills; and (3) authorize disbursement of the proceeds of the Bonds, pending finalization of the developer reimbursement report and receipt of executed reimbursement receipts from the developers. Director Rich seconded the motion, which passed unanimously.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman presented and reviewed the tax assessor/collector's reports for the month of January, 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 reports and payment of the tax bills. Director Ross seconded the motion, which passed unanimously.

#### ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Trachtenberg reviewed a Resolution Concerning Exemptions from Taxation reflecting that the Board rejects any exemptions for residential homesteads. After review and discussion, Director Ross moved to adopt the Resolution Concerning Exemptions from Taxation and direct that the resolution be filed appropriately and retained in the District's official records. Director Burton seconded the motion, which passed unanimously.

#### 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. 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 Trails at Woodhaven Lakes, Section 1. He stated he had no items for the Board's approval.

Mr. Robinett updated the Board regarding construction of the detention pond and mass grading improvements to serve Ambrose. He reviewed and recommended approval of Change Order No. 1 to the contract with Paskey, Inc. ("Paskey") to increase the contract in the amount of \$14,343.55 for the cost of permitting. He also reviewed and recommended approval of Change Order No. 2 to the contract with Paskey to increase the contract in the amount of \$41,231.00 for re-grading the southern maintenance berm and swales. The Board determined that Change Order No. 1 and Change Order No. 2 are beneficial to the District.

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. 9 in the amount of \$68,469.55 (\$56,947.79 of which is KB Home's share of the cost and \$11,521.77 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 a revised Pay Estimate No. 5 in the amount of \$536,821.41 (\$100,770.02 of which is for water, sewer and drainage and \$436,051.39 of which is for paving), payable to R Construction Civil, LLC ("R Construction"). Mr. Robinett stated KB Home requested that quantity overruns be withheld from the original Pay Estimate No. 5 and resubmitted when a final quantity adjustment is prepared.

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 updated the Board regarding construction of the paving and water, sewer, and drainage facilities to serve Sunset Grove, Section 4. He reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$339,431.44 (all of which is for water, sewer and drainage), payable to R Construction.

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.

Mr. Robinett updated the Board regarding the design of Sunset Grove Sections 5 and 6. Mr. Corbin reported the City of Hitchcock has requested the District to perform a traffic impact analysis for Sunset Grove Section 5 off Delany Road.

Following review and discussion, Director Ross moved (1) to approve the engineer's report; (2) based on the engineer's recommendation and the Board's finding that the change orders are beneficial to the District, to approve Change Order No. 1 in the amount of \$14,343.55 and Change Order No. 2 in the amount of \$41,231.00 as increases to the contract with Paskey 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. 9 in the amount of \$68,469.55 (\$56,947.79 of which is KB Home's share of the cost and \$11,521.77 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; (4) based on the engineer's recommendation, to approve the revised Pay Estimate No. 5 in the amount of \$536,821.41 (\$100,770.02 of which is for water, sewer and drainage and \$436,051.39 of which is for paving) for construction of the paving and water, sewer, and drainage facilities to serve Sunset Grove, Section 3; and (5) based on the engineer's recommendation, to approve Pay Estimate No. 1 in the amount of \$339,431.44 (all of which is for water, sewer and drainage) for the construction of the paving and water, sewer, and drainage facilities to serve Sunset Grove, Section 4. Director Rich seconded the motion, which passed unanimously.

The Board then considered accepting conveyance of a Sanitary Sewer Easement for a 0.0147-acre tract, a Water Line Easement for a 0.0225-acre tract, and a Storm Sewer Easement for a 0.3267-acre tract, all from M/I Homes (the "Easements"). Following discussion, Director Rich moved to accept conveyance of the Easements and direct that the Easements be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which passed unanimously.

REPORT REGARDING DEVELOPMENT

Mr. Edmunds generally reviewed development plans in the District. On behalf of KB Home, Mr. Robinett generally reviewed development plans in the District.

NEXT MEETING DATE AND AGENDA ITEMS

Following discussion, the Board concurred to hold its next meeting on March 8, 2022, at 10:00 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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