

MINUTES
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

April 19, 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 19th day of April, 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
Vacant	Secretary
Cory Burton	Assistant Secretary
Bobby Rich	Assistant Vice President

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

Also attending the meeting in person or by telephone were Chris Tysdal of Forestar (USA) Real Estate Group, Inc. ("Forestar"); Renee Butler of McLennan & Associates, L.P.; Odett Newman of Bob Leared Interests; 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.; Tony Padua and Angela Weatherley of Trails at Woodhaven Lakes, Ltd.; and Heather Trachtenberg and Kathryn Easey of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENT

Mr. Tysdal requested the Board to consider annexing an approximate 46.25-acre tract into the District, which Forestar proposes to develop as a planned development district. A copy of the proposed tract schematic is attached.

Ms. Trachtenberg explained that if the Board chooses to consider the annexation, the District's engineer should conduct a feasibility study on annexation of the tract.

Ms. Trachtenberg then discussed the terms of an annexation letter agreement with Forestar, which requires an annexation deposit of \$15,000 from Forestar that she stated must be received before any work on the annexation begins.

Following review and discussion, Director Burton moved to (1) authorize the engineer to prepare a feasibility study for the proposed annexation of land into the District; and (2) approve the Annexation Letter Agreement with Forestar, pending finalization, and direct that the Annexation Letter Agreement be filed appropriately and

retained in the District's official records. Director Rich seconded the motion, which passed unanimously.

APPROVE MINUTES

The Board considered approving the minutes of the March 8, 2022, meeting. After review and discussion, Director Ross moved to approve the minutes, as submitted. Director Burton seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman presented and reviewed the tax assessor/collector's report for the month of March, 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 Ross seconded the motion, which passed unanimously.

RESOLUTION REQUESTING APPRAISAL OF PROPERTY AND CERTIFICATE OF ESTIMATED APPRAISED VALUE

The Board considered adopting a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value ("Resolution"), requesting that the Galveston Central Appraisal District provide the total appraised value of taxable property within the District as of April 15, 2022, and authorize the tax assessor/collector to order certificates of assessed value. Following review and discussion, Director Ross moved to approve the Resolution and direct that the Resolution be filed appropriately and retained in the District's official records. Director Rich 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.

FINANCIAL AND BOOKKEEPING MATTERS

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

BUDGET FOR FISCAL YEAR ENDING MAY 31, 2023

Ms. Butler presented and reviewed the proposed budget for the fiscal year ending May 31, 2023, a copy of which is included in the bookkeeper's report. Ms. Butler

requested that the Board and consultants review and provide comments on the proposed budget before the next meeting. Discussion ensued regarding operating reserves and surplus funds.

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 design of Sunset Grove Sections 5 and 6. He stated he had no items for the Board's approval.

Mr. Robinett stated that bids were received for construction of paving and water, sewer, and drainage facilities to serve Trails at Woodhaven Lakes, Section 1. He recommended that the Board award the contract to Principal Services, Ltd. ("Principal") in the amount of \$4,016,828.72. The Board concurred that, in its judgment, Principal is a responsible bidder who will be most advantageous to the District and will result in the best and most economical completion of the project.

Mr. Robinett updated the Board regarding construction of the detention pond and mass grading improvements to serve Ambrose. He stated that the notice of substantial completion was issued on April 7, 2022.

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. 10 in the amount of \$5,141.98 (all of which is KB Home's 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. 6 in the amount of \$74,899.81 (\$55,187.40 of which is for water, sewer and drainage and \$19,712.41 of which is for paving), payable to R Construction Civil, LLC ("R Construction"). Mr. Robinett also reviewed and recommended approval of Change Order No. 2 to the contract with R. Construction to increase the contract in the amount of \$99,324.03 (\$92,688.03 of which is for water, sewer and drainage and \$6,636.00 of which is for paving). The Board determined that Change Order No. 2 is beneficial to the District. Mr. Robinet reported the project is complete and the facilities have been accepted by the City of LaMarque.

Mr. Robinett updated the Board regarding construction of the water, sewer, and drainage facilities to serve Ambrose, Section 1. He reviewed and recommended approval of the revised Final Pay Estimate No. 7 in the amount of \$141,125.60 payable to Blazey Construction Services, LLC ("Blazey"). Mr. Robinett also reviewed and recommended approval of Change Order No. 2 to the contract with Blazey to decrease the contract in the amount of \$16,851.72. The Board determined that Change Order No. 2 is beneficial to the District. He stated this project is complete.

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. 3 in the amount of \$295,407.72 (\$1,800.00 of which is for water, sewer and drainage and \$293,607.72 of which is for paving), payable to R Construction.

Mr. Robinet 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 Ross moved (1) to approve the engineer's report; (2) to award the contract for construction of paving and water, sewer, and drainage facilities to serve Trails at Woodhaven Lakes, Section 1 to Principal in the amount of \$4,016,828.72, based upon the engineer'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; (3) based on the engineer's recommendation, to approve Pay Estimate No. 10 in the amount of \$5,141.98 (all of which is KB Home's 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 and the Board's finding that the change order is beneficial to the District, to approve Pay Estimate No. 6 in the amount of \$74,899.81 (\$55,187.40 of which is for water, sewer and drainage and \$19,712.41 of which is for paving), and Change Order No. 2 in the amount of \$99,324.03 (\$92,688.03 of which is for water, sewer and drainage and \$6,636.00 of which is for paving) as an increase to the contract with R. Construction for construction of the paving and water, sewer, and drainage facilities to serve Sunset Grove, Section 3; (5) based on the engineer's recommendation and the Board's finding that the change order is beneficial to the District, to approve the revised Final Pay Estimate No. 7 in the amount of \$141,125.60, and Change Order No. 2 in the amount of \$16,851.72 as a decrease to the contract with Blazey for construction of the water, sewer, and drainage facilities to serve Ambrose, Section 1; and (6) based on the engineer's recommendation, to approve Pay Estimate No. 3 in the amount of \$295,407.72 (\$1,800.00 of which is for water, sewer and drainage and \$293,607.72 of which is for paving) for construction of the paving and water, sewer, and drainage facilities to serve Sunset Grove, Section 4. Director Burton seconded the motion, which passed unanimously.

REPORT REGARDING DEVELOPMENT

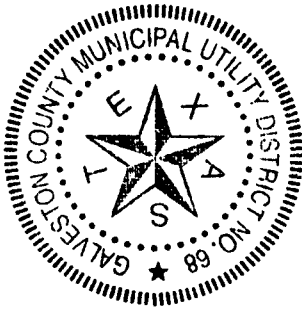
There was no discussion on this agenda item.

NEXT MEETING DATE AND AGENDA ITEMS

Following discussion, the Board concurred to hold its next meeting on May 17, 2022, at 11:30 a.m.

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

SEAL




Secretary, Board of Directors

ATTACHMENTS TO MINUTES

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