

MINUTES
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

July 19, 2022

The Board of Directors (the "Board") of Galveston County Municipal Utility District No. 68 (the "District") met in regular session in person and by videoconference, open to the public and with access by video available to the public, on the 19th day of July, 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 being present in person or by video:

Suzanne Ross	President
Randy Trncak	Vice President
Cory Burton	Secretary
Joanne Lannin	Assistant Secretary
Bobby Rich	Assistant Vice President

and all of the above were present, thus constituting a quorum. Director Burton participated by videoconference.

Also attending the meeting in person or by tele/videoconference were Corrie Aday of Harco Insurance Services; Renee Butler of McLennan & Associates, L.P.; Odett Newman of Bob Leared Interests; Jason Robinett and Sergio Gonzalez of Costello, Inc.; Scott Gray of Champions Hydro-Lawn, Inc.; Anthea Moran of Masterson Advisors LLC; Nathan Edmunds of M/I Homes of Houston, LLC; and Heather Trachtenberg and Kathryn Easey of Allen Boone Humphries Robinson LLP ("ABHR").

RATIFY BOARD OF DIRECTORS ACTION

The Board reviewed the actions taken at the June 21, 2022, meeting. After review and discussion, Director Burton moved to ratify and approve all actions taken by the Board at the June 21, 2022, meeting. Director Lannin seconded the motion, which passed unanimously.

Director Burton left the videoconference.

PUBLIC COMMENT

There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of the June 21, 2022, meeting. After review and discussion, Director Ross moved to approve the minutes, as submitted. Director Trncak seconded the motion, which passed unanimously.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed an insurance renewal proposal from Harco Insurance Services. Ms. Aday discussed changes to the directors and officers liability coverage and answered questions from the Board. After review and discussion, Director Ross moved to (1) renew the District's insurance policies with Harco Insurance Services and direct that the proposal be filed appropriately and retained in the District's official records; (2) renew the Directors' Bond for a three-year term; and (3) renew the Consultants' Fidelity policy for a three-year term. Director Lannin seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Butler reviewed the bookkeeper's report and the investment report, copies of which are attached.

Ms. Butler noted check no. 1047 in the amount of \$1,141.00 payable to Harco Insurance Services and check no. 1048 in the amount of \$1,429.00 payable to TML IRP for the District's insurance renewals are also being presented for approval but are not included in her report.

Ms. Butler noted hand-written check no. 1049 in the amount of \$385.00 payable to Harco Insurance Services for the District's three-year Directors' Bond and the three-year Consultants' Fidelity policy is also being presented for approval but is not included in her report.

Following review and discussion, Director Ross moved to approve the bookkeeper's report and investment report and authorize payment of the District's bills, including check no. 1047 in the amount of \$1,141.00 payable to Harco Insurance Services, check no. 1048 in the amount of \$1,429.00 payable to TML IRP, and check no. 1049 in the amount of \$385.00 payable to Harco Insurance Services. Director Lannin 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 June, including the bills presented for payment and the delinquent tax roll. A copy of the tax report is attached. After review and discussion, Director Ross moved to

approve the tax assessor/collector's report and payment of the tax bills. Director Rich seconded the motion, which passed unanimously.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2022 TAX YEAR

Ms. Trachtenberg discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and 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. She 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 Developing District for the 2022 tax year.

Following review and discussion, Director Ross moved to adopt a Resolution Regarding Development Status for 2022 Tax Year establishing the District as a Developing District for the 2022 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Lannin 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 design of Sunset Grove Sections 5 and 6. He stated he had no items for the Board's approval.

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. 12 in the amount of \$5,461.74 (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 4. He reviewed and recommended approval of a revised Pay Estimate No. 5 in the amount of \$6,660.00 (all of which is for water, sewer and drainage), and Final Pay Estimate No. 6 (for retainage only) in the amount of \$113,775.93 (\$78,902.85 of which is for water, sewer and drainage and \$34,873.08 of which is for paving), payable to R Construction Civil, LLC.

Mr. Robinett 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 construction of the paving and water, sewer, and drainage facilities to serve Trails at Woodhaven Lakes, Section 1. He reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$1,705,960.17 (all of which is for water, sewer and drainage), payable to Principal Services, Ltd.

Mr. Robinett updated the Board regarding construction of the water, sewer, and drainage facilities to serve Ambrose, Section 2. He stated he had no items for the Board's approval.

Following review and discussion, Director Rich moved (1) to approve the engineer's report; (2) based on the engineer's recommendation, to approve Pay Estimate No. 12 in the amount of \$5,461.74 for the 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; (3) based on the engineer's recommendation, to approve a revised Pay Estimate No. 5 in the amount of \$6,660.00 (all of which is for water, sewer and drainage) and Final Pay Estimate No. 6 (for retainage only) in the amount of \$113,775.93 (\$78,902.85 of which is for water, sewer and drainage and \$34,873.08 of which is for paving) for construction of the paving and water, sewer, and drainage facilities to serve Sunset Grove, Section 4; and (4) based on the engineer's recommendation, to approve Pay Estimate No. 2 in the amount of \$1,705,960.17 (all of which is for water, sewer and drainage) for construction of the water, sewer, and drainage facilities to serve Trails at Woodhaven Lakes, Section 1. Director Ross seconded the motion, which passed unanimously.

ANNEXATION MATTERS

Ms. Trachtenberg updated the Board on the status of the proposed annexation of an approximately 46.25-acre tract into the District. Discussion ensued.

REPORT REGARDING DEVELOPMENT

Mr. Edmunds generally discussed development in the District.

NEXT MEETING DATE AND AGENDA ITEMS

Following discussion, the Board concurred to hold its next meeting on August 16, 2022, at 11:30 a.m.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

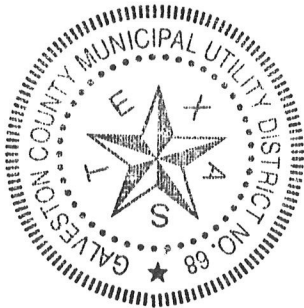
The Board convened in executive session at 12:03 p.m. to conduct a private consultation with the District's attorney.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 12:22 p.m. The Board took no action.

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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