

MINUTES  
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

September 20, 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 20<sup>th</sup> day of September, 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.

Also attending the meeting were Ainsley Otto of LJA Engineering, Inc.; 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.; Tayo Ilori of McGrath & Co., PLLC; David Gallo of KB Home; and Heather Trachtenberg, Duggan Baker and Kathryn Easey of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of the August 16, 2022, meeting. After review and discussion, Director Ross moved to approve the minutes, as submitted. Director Lannin seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR ENDED MAY 31, 2022

Mr. Ilori presented and reviewed the draft audit for the fiscal year ended May 31, 2022. Following review and discussion, Director Burton moved to approve the audit and direct that the audit be filed appropriately and retained in the District's official records. Director Ross 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. 1063 in the amount of \$11,480.00 payable to Forestar to refund the unused portion of the annexation deposit is also being presented for approval but is not included in her report.

Ms. Butler noted hand-written check no. 1064 in the amount of \$166.02 payable to Director Rich to re-issue his fees of office that were lost in the mail is also being presented for approval but is not included in her report.

Discussion ensued regarding surplus bond funds.

Following review and discussion, Director Burton moved to approve the bookkeeper's report and investment report and authorize payment of the District's bills, including check no. 1063 in the amount of \$11,480.00 payable to Forestar and hand-written check no. 1064 in the amount of \$166.02 payable to Director Rich. Director Ross seconded the motion, which passed unanimously.

## ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy, and Ms. Trachtenberg stated that neither ABHR nor the bookkeeper have any recommended changes. Following review and discussion, Director Ross 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 Burton 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

Ms. Trachtenberg reviewed a Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. She 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.

## TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman 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 Ross moved to approve the tax assessor/collector's report and payment of the tax bills. Director Burton 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. Trachtenberg stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2022 total tax rate of \$0.864.

The Board opened the public hearing. There being no comments from the public, the Board closed the public hearing.

Ms. Trachtenberg presented an Order Levying Taxes reflecting the proposed 2022 tax rate. She then stated the Information Form does not need to be amended because there was no change to the District's tax rate from the prior year.

After review and discussion, Director Burton moved to adopt the Order Levying Taxes reflecting a total 2022 tax rate of \$0.864 per \$100 of assessed valuation, comprised of \$0.69 to pay debt service on water, sewer, and drainage bonds, and \$0.174 for operations and maintenance, and direct that the Order 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.

## 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. 13 in the amount of \$16,663.73 (\$5,141.97 of which is KB Home's share of the cost and \$11,521.76 of which is M/I Homes of Houston, LLC's share of the cost) payable to Longhorn Excavators, Inc. ("Longhorn"). He then reviewed and recommended approval of Pay Estimate No. 14 and Final in the amount of \$60,511.25 for retainage (all of which is KB Home's share) payable to Longhorn.

Mr. Robinett updated the Board regarding construction of the mass grading project at Trails at Woodhaven Lakes. He reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$221,321.98 payable to Mako, LLC ("Mako"). He also reviewed and recommended approval of Change Order No. 1 to the contract with Mako to increase the contract in the amount of \$137,642.00 for clearing and grubbing, fill for Pond A to protect side slopes, and construct temporary drainage swales and culvert in future Section 2. Mr. Robinet stated these items were not part of the original scope of the project. Discussion ensued. The Board determined that Change Order No. 1 is beneficial to the District.

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. 4 in the amount of \$31,779.00 (all of which is for water, sewer and drainage), payable to Principal Services, Ltd. ("Principal"). He also reviewed and recommended approval of Change Order No. 1 to the contract with Principal to increase the contract in the amount of \$53,050.00 for the installation of water tap and meters for landscape coordination, to replace existing City of La Marque flush valve and gate valve, and for the installation of irrigation sleeves. The Board determined that Change Order No. 1 is beneficial to the District.

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 Burton moved (1) to approve the engineer's report; (2) based on the engineer's recommendation, to approve Pay Estimate No. 13 in the amount of \$16,663.73 and Pay Estimate No. 14 and Final in the amount of \$60,511.25 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 and the Board's finding that the change order is beneficial to the District, to approve Pay Estimate No. 3 in the amount of \$221,321.98 and Change Order No. 1 in the amount of \$137,642.00 as an

increase to the contract with Mako for the construction of the mass grading project at Trails at Woodhaven Lakes; and (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. 4 in the amount of \$31,779.00 and Change Order No. 1 in the amount of \$53,050.00 as an increase to the contract with Principal for the construction of the paving and water, sewer, and drainage facilities to serve Trails at Woodhaven Lakes, Section 1. Director Ross seconded the motion, which passed unanimously.

The Board then considered approving a proposal for services from Berg-Oliver Associates, Inc. ("Berg-Oliver") in the amount of \$3,350.00 for Phase I Environmental Site Assessments for (1) all of Sunset Grove Reserve A; (2) a 0.9705-acre tract being a portion of Reserve A of Ambrose Section One; (3) a 0.1780-acre tract being a portion of Reserve C of Ambrose Section One; (4) all of Reserve F of Ambrose Section One; and (5) all of Reserve G of Ambrose Section One. Following review and discussion, Director Rich moved to approve the proposal from Berg-Oliver and direct that the proposal be filed appropriately and retained in the District's official records. Director Burton seconded the motion, which passed by a vote of 4 to 0, with Director Ross abstaining from voting.

#### ANNEXATION MATTERS

There was no discussion on this agenda item.

#### REPORT REGARDING DEVELOPMENT

Mr. Gallo generally discussed development in the District.

#### NEXT MEETING DATE AND AGENDA ITEMS

Following discussion, the Board concurred to hold its next meeting on October 18, 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 12:08 p.m. to conduct a private consultation with the District's attorney.

#### RECONVENE IN OPEN SESSION

The Board reconvened in open session at 12:11 p.m. Director Burton moved to approve a legal services engagement letter with Feldman & Feldman, subject to finalization, and direct that the legal services engagement letter be filed appropriately and retained in the District's official records. Director Lannin seconded the motion, which passed unanimously.

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

SEAL



A handwritten signature in blue ink, appearing to be "Cory ED", written over a horizontal line.

Secretary, Board of Directors

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