

MINUTES
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

May 16, 2023

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 16th day of May, 2023, 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 except Director Ross, 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; Jason Robinett of Costello, Inc.; Scott Gray of Champions Hydro-Lawn, Inc.; Anthea Moran of Masterson Advisors LLC; Bill Frey of Frey Development Companies, Inc.; David Gallo of KB Home; Arturo Gonzalez of M/I Homes of Houston, LLC ("M/I Homes"); and Heather Trachtenberg, Jordan Fine 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 April 18, 2023, meeting. After review and discussion, Director Burton moved to approve the minutes, as amended. Director Rich seconded the motion, which passed unanimously.

SERIES 2023 UNLIMITED TAX BONDS

Ms. Moran presented and reviewed a summary of the bids received for the sale of the District's \$4,475,000 Unlimited Tax Bonds, Series 2023 (the "Bonds"), a copy of which is attached. She stated the low bid submitted by Robert W. Baird & Co., Inc. with a net effective interest rate of 4.349005% was reviewed and all numbers checked, and everything was found to be correct and consistent with the conditions in the Notice of Sale. Ms. Moran recommended that the District accept the bid of Robert W. Baird &

Co., Inc. for the Bonds as submitted. She then reviewed a credit opinion prepared by Moody's Investors Services, a copy of which is attached. She stated the Bonds qualified for bond insurance and received an insured rating.

The Board next considered adopting the Resolution Authorizing the Issuance of the District's 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 Bonds, the payment of principal and interest over the life of the Bonds, and certain District covenants regarding continuing disclosure and the tax-exempt status of the 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 Bonds.

The Board next considered approving the Official Statement for the 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 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 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 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 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 Burton moved to (1) award the sale of the Bonds to Robert W. Baird & Co., Inc. with a net effective interest rate of 4.349005%; (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 Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the 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 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.

Discussion ensued regarding the mowing expense line item on the budget for the fiscal year end May 31, 2024.

The Board considered designating an Association of Water Board Directors ("AWBD") voting member representative to vote in AWBD elections.

Following review and discussion, Director Burton moved to (1) approve the bookkeeper's report and the investment report, and authorize payment of the District's bills; and (2) designate Director Burton to act as the District's AWBD voting member representative. Director Lannin seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman presented and reviewed the tax assessor/collector's report, including the bills presented for payment and the delinquent tax roll. A copy of the tax report is attached. Ms. Newman reported that the District's 2023 preliminary assessed value is \$153,926,125. After review and discussion, Director Burton moved to approve the tax assessor/collector's report and payment of the tax bills. 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. He then reviewed a revised mowing exhibit for the Ambrose Detention Pond, a copy of which is attached to his report. Discussion ensued, and Mr. Gray stated he will prepare an updated maintenance budget for the Board's review at the next meeting.

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 on the status of plan approval and production for the following projects: (1) Sunset Grove Section 5; (2) Trails at Woodhaven Lakes Section 2; and (3) mass excavation and grading and clearing and grubbing for Trails at Woodhaven Lakes Section 2.

Mr. Robinett stated the Sunset Grove Section 6 project is on schedule to advertise for bid in July.

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

Mr. Robinett updated the Board regarding the status of the one-year punch list items project for Sunset Grove Section 3. He stated he had no items for the Board’s approval.

Following review and discussion, Director Rich moved to approve the engineer’s report. Director Burton seconded the motion, which passed unanimously.

REPORT REGARDING DEVELOPMENT

Mr. Gonzalez updated the Board on development in the District by M/I Homes.

Mr. Gallo updated the Board on development in the District by KB Home.

Mr. Robinett, on behalf of Trails at Woodhaven Lakes, updated the Board on development in the District.

NEXT MEETING DATE AND AGENDA ITEMS

Following discussion, the Board concurred to hold its next meeting on June 20, 2023, 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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