

MINUTES
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

July 18, 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 18th day of July, 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, thus constituting a quorum.

Also attending the meeting in person or by telephone were Ginger Manett, a resident of the District and member of the Saltgrass Crossing Homeowners Association, Inc. Board of Directors; Renee Butler and Bisma Sohail 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; and Allison Leatherwood and Kathryn Easey of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

Ms. Manett introduced herself and stated she had no comments for the Board.

APPROVE MINUTES

The Board considered approving the minutes of the June 20, 2023, meeting. After review and discussion, Director Ross moved to approve the minutes, as submitted. Director Rich seconded the motion, which passed unanimously.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed an insurance renewal proposal from Brown & Brown Lone Star Insurance Agency, Inc. ("Brown & Brown"). Discussion ensued regarding the additional premium for cyber liability coverage in the amount of \$172.00. After review and discussion, Director Burton moved to renew the District's insurance policies with Brown & Brown in the amount of \$3,365.00, which includes the \$172.00 premium for cyber liability coverage, and direct that the proposal be filed appropriately and retained

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

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT WINTER CONFERENCE

No members of the Board attended the AWBD summer conference. The Board considered authorizing attendance of its Board members at the AWBD winter conference. After review and discussion, Director Burton moved to authorize attendance of the Board members at the AWBD winter conference. 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. 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 Rich 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. 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.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2023 TAX YEAR

Ms. Leatherwood 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 2023 tax year.

Following review and discussion, Director Burton moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developing District for the 2023 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 Ross 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.

Mr. Robinett confirmed the slopes at the Ambrose Detention Pond have sufficient turf coverage and are ready for the District to maintain.

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, and updated the Board on ongoing engineering projects as noted in his report.

Mr. Robinett stated the one-year punch list items for Sunset Grove Section 3 are complete and ready for reinspection and acceptance by the City of LaMarque. He then reviewed and recommended approval of Change Order No. 1 to the contract with R Construction Civil, LLC ("R Construction") for the one-year punch list items for Sunset Grove Section 3 to increase the contract in the amount of \$3,600.00. The Board determined that Change Order No. 1 is beneficial to the District.

After review and discussion, Director Rich moved to (1) approve the engineer's report; and (2) approve Change Order No. 1 in the amount of \$3,600.00 as an increase to the contract with R Construction for the one-year punch list items for Sunset Grove Section 3, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation. Director Ross seconded the motion, which passed unanimously.

REPORT REGARDING LEGISLATIVE MATTERS

Ms. Leatherwood reviewed a report prepared by ABHR regarding legislative matters pertaining to the 88th Regular Session of the Texas Legislature.

EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Leatherwood reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. She said

water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. She explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Galveston County and with the Texas Commission on Environmental Quality ("TCEQ"). After review and discussion, Director Burton moved to authorize execution of the Amendment to Information Form and to authorize filing with Galveston County and the TCEQ. Director Ross seconded the motion, which passed unanimously.

RESOLUTION ESTABLISHING DIRECTOR FEES OF OFFICE AND DISTRICT REIMBURSEMENT POLICY

Ms. Leatherwood stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. She noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00 for each day of service not to exceed \$7,200.00 annually, and going forward the maximum amount will automatically be indexed for inflation.

The Board then considered adopting a Resolution Establishing Director Fees of Office and District Reimbursement Policy to reflect that director fees of office shall be paid at the maximum rate allowed by law, noting that this would replace the previously adopted Resolution. After review and discussion, Director Burton moved to adopt a Resolution Establishing Director Fees of Office and District Reimbursement Policy, effective June 18, 2023, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Rich seconded the motion, which passed unanimously.

REPORT REGARDING DEVELOPMENT

Mr. Robinett, on behalf of M/I Homes and 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 August 15, 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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