

MINUTES
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

September 19, 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 19th day of September, 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:

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 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.; Tayo Ilori of McGrath & Co., PLLC; and Heather Trachtenberg 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 15, 2023, meeting. After review and discussion, Director Lannin moved to approve the minutes, as submitted. Director Burton seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END MAY 31, 2023

Mr. Ilori presented and reviewed the draft audit for the fiscal year end May 31, 2023. 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 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 Rich moved to approve

the bookkeeper's report and investment report and authorize payment of the District's bills. Director Burton 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 Burton 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 Lannin 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 Lannin 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 2023 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 2023 tax rate. She then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with the Texas Commission on Environmental Quality ("TCEQ") and recorded in the Official Public Records of Galveston County.

After review and discussion, Director Trncak moved to (1) adopt the Order Levying Taxes reflecting a total 2023 tax rate of \$0.864 per \$100 of assessed valuation,

comprised of \$0.70 to pay debt service on water, sewer, and drainage bonds, and \$0.164 for operations and maintenance; (2) approve the Amendment to Information Form and direct that it be filed with the TCEQ and the Official Public Records of Galveston County; and (3) direct that the Order and Amendment 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.

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

MS4 STORM WATER MANAGEMENT MATTERS

There was no discussion on this item.

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 Board of Adjustment of the City of Hitchcock denied KB Homes' variance request relating to setbacks and lot depths for Sunset Grove Sections 5 and 6.

Mr. Robinett stated that bids were received for construction of the water, sewer, and drainage facilities to serve Sunset Grove Section 6. He recommended that the Board award the contract to Blazey Construction Services, LLC ("Blazey") in the amount of \$1,805,484.80. Discussion ensued regarding the spread between the bid amounts. The Board concurred that, in its judgment, Blazey 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 the status of the construction of the water, sewer, and drainage facilities to serve Ambrose Section 2. He reviewed and

recommended approval of Pay Estimate No. 4 in the amount of \$103,637.00, payable to Crostex Construction Inc. ("Crostex").

Mr. Robinett updated the Board regarding the status of the one-year punch list items for Sunset Grove Section 3. He reviewed and recommended approval of Pay Estimate No. 1 and Final in the amount of \$19,246.80, payable to R Construction Civil, LLC ("R Construction").

Following review and discussion, Director Lannin moved (1) to approve the engineer's report; (2) to award the contract for the construction of the water, sewer, and drainage facilities to serve Sunset Grove Section 6 to Blazey in the amount of \$1,805,484.80, based upon the engineer's recommendation and receipt of the payment and performance bonds and 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. 4 in the amount of \$103,637.00, payable to Crostex for the construction of the water, sewer, and drainage facilities to serve Ambrose Section 2; and (4) based on the engineer's recommendation, to approve Pay Estimate No. 1 and Final in the amount of \$19,246.80, payable to R Construction for the one-year punch list items for Sunset Grove Section 3. Director Rich seconded the motion, which passed unanimously.

REPORT REGARDING DEVELOPMENT

There was no discussion on this item.

NEXT MEETING DATE AND AGENDA ITEMS

Following discussion, the Board concurred to hold its next meeting on November 14, 2023, at 11:30 a.m.

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




Secretary, Board of Directors

ATTACHMENTS TO MINUTES

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