

MINUTES
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

January 29, 2024

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 29th day of January, 2024, 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 Trncak, thus constituting a quorum.

Also attending the meeting were Brenda McLaughlin of Bob Leared Interests; Jeff Ebersole of Costello, Inc.; Scott Gray of Champions Hydro-Lawn, Inc.; Anthea Moran of Masterson Advisors LLC; David Gallo of KB Home; Amelia Switz of M/I Homes of Houston, LLC ("M/I Homes"); and Allison Leatherwood and Kathryn Easey of Allen Boone Humphries Robinson LLP ("ABHR").

Director Trncak participated by teleconference.

PUBLIC COMMENT

There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of the December 19, 2023, meeting. After review and discussion, Director Rich moved to approve the minutes as submitted. Director Burton seconded the motion, which passed unanimously.

2024 DIRECTORS ELECTION

Ms. Leatherwood discussed procedures related to the 2024 Directors Election. Ms. Leatherwood reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2024 Directors Election Period. Ms. Leatherwood reported on requirements to post a Notice of Deadline to File Applications for Place on the Ballot for the 2024 Directors Election. Ms. Leatherwood stated that the District may contract with Galveston County (the "County") to conduct the District's 2024 Directors

Election. Ms. Leatherwood reviewed an Order Calling Directors Election. Ms. Leatherwood discussed that a Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Galveston County.

Following review and discussion, Director Ross moved to (1) adopt a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2024 Directors Election Period appointing Kathryn Easey as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) authorize the Secretary's agent to post the Notice of Deadline to File Applications for Place on the Ballot for the 2024 Directors Election as required; (3) contract with the County to administer the District's election; (4) adopt the Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District's official records; and (5) authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar the Notice of Election, if required, and to direct that the Notice of Election be filed appropriately and retained in the District's official records. Director Burton seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

The Board reviewed the bookkeeper's report and the investment report prepared by McLennan & Associates, L.P., 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 Ross seconded the motion, which passed unanimously.

ANNUAL DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER

In accordance with the District's Investment Policy, the Board considered the annual disclosure statements of Leigh Vitols and Jorge Diaz as the District's bookkeeper and investment officer, respectively. Ms. Leatherwood explained that the statements disclose any relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District, and the disclosure statements will be filed with the Texas Ethics Commission and the District. After review and discussion, Director Burton moved to accept the disclosure statements as presented and to authorize they be appropriately filed. Director Ross seconded the motion, which passed unanimously.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Leatherwood reported that ABHR has no recommendations for revision of the District's existing post-issuance compliance policy and that the District is currently in compliance with the policy.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McLaughlin presented and reviewed the tax assessor/collector's report for December, including the bills presented for payment and the delinquent tax roll. A copy of the tax report is attached. She stated that 75% of the District's 2023 taxes were collected as of January 29, 2024. After review and discussion, Director Burton moved to approve the tax assessor/collector's reports 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.

Mr. Gray reviewed a proposal prepared by Champions in the amount of \$856.40 for sign material supply, assembly, and installation for two no trespassing signs to be located at entry points into the Ambrose and Sunset Grove detention pond areas.

Following review and discussion, Director Lannin moved to approve the proposal prepared by Champions in the amount of \$856.40 for sign installation. Director Rich seconded the motion, which passed unanimously.

MS4 STORM WATER MANAGEMENT MATTERS

There was no discussion on this item.

ENGINEERING MATTERS

Mr. Ebersole 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. Ebersole stated that bids were received for the construction of the water, sewer, and drainage improvements to serve Trails at Woodhaven Lakes Section 2. He recommended that the Board award the contract to R Construction Civil ("R Construction") in the amount of \$2,727,840.95 (\$1,610,075.95 of which is for water, sewer, and drainage and \$1,117,765.00 of which is for alternate paving bids). The Board concurred that, in its judgment, R Construction 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. Ebersole updated the Board on the status of the construction of the water, sewer, and drainage improvements to serve Ambrose Section 2. He reviewed and recommended approval of Pay Estimate No. 5 and Final in the amount of \$34,913.00, payable to Crostex Construction Inc. ("Crostex"). Mr. Ebersole reviewed and recommended approval of Change Order No. 2 to the contract with Crostex to increase the contract in the amount of \$2,150.00 for lowering existing manhole and repairing a damaged meter. He stated Change Order No. 2 will not be reimbursable to M/I Homes. Mr. Ebersole also reviewed and recommended approval of Change Order No. 3 to the contract with Crostex to increase the contract in the amount of \$1,150.00 for existing manhole and sanitary lead adjustments and final quantity adjustments. He stated the portion of Change Order No. 2 related to existing manhole and sanitary lead adjustments will not be reimbursable to M/I Homes.

Following review and discussion, Director Rich moved to (1) approve the engineer's report; (2) award the contract for the construction of the water, sewer, and drainage improvements to serve Trails at Woodhaven Lakes Section 2 to R Construction in the amount of \$2,727,840.95 (\$1,610,075.95 of which is for water, sewer, and drainage and \$1,117,765.00 for alternate paving bids), 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; and (3) based on the engineer's recommendation, to approve Pay Estimate No. 5 and Final in the amount of \$34,913.00, Change Order No. 2 in the amount of \$2,150.00 as an increase to the contract with Crostex, and Change Order No. 3 in the amount of \$1,150.00 as an increase to the contract with Crostex, for the construction of the water, sewer, and drainage improvements to serve Ambrose Section 2. Director Ross seconded the motion, which passed unanimously.

ANNEXATION MATTERS

Ms. Leatherwood updated the Board on the status of annexing an approximate 46.333-acre tract into the District.

REPORT REGARDING DEVELOPMENT

Ms. Switz updated the Board on development in the District on behalf of M/I Homes.

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

NEXT MEETING DATE AND AGENDA ITEMS

Following discussion, the Board concurred to hold its next meeting on February 20, 2024, 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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