

MINUTES
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 39

June 4, 2024

The Board of Directors (the "Board") of Galveston County Municipal Utility District No. 39 (the "District") met in regular session, open to the public, on the 4th day of June, 2024, at 400 West Walker, League City, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

David Parker	President
Courtney Boudreaux	Vice President
Rebecca Murphy	Secretary
Mark Marquis	Assistant Vice President
Omar Flores	Assistant Secretary

and all of the above were present, except Director Murphy thus constituting a quorum.

Also attending the meeting were Donna Bane, a resident of the District; Dana Davis of Myrtle Cruz, Inc.; Odett Newman of Bob Leared Interests; and Greer Pagan and Hope Palmer of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

The Board opened the meeting for public comments. There being no comments from the public, the Board closed the public comments portion of the meeting.

MINUTES

The Board considered approving the minutes of the March 5, 2024, regular meeting. Following review and discussion, Director Parker moved to approve the minutes as submitted. Director Boudreaux seconded the motion, which passed unanimously.

DIRECTOR MATTERS

Mr. Pagan stated Director Murphy has submitted her resignation to the Board of Directors. Director Boudreaux then introduced Ms. Donna Bane to the Board, and Ms. Bane stated she is interested in serving on the Board of Directors. The Board considered appointing Ms. Bane to the vacant position on the Board of Directors and considered reorganizing the Board. Following review and discussion, Director Boudreaux moved to appoint Donna Bane to the vacant position on the Board, for Ms. Bane to fill the

position of Secretary, and for all other director positions to remain the same. Director Parker seconded the motion, which passed unanimously.

Mr. Pagan then reviewed the Sworn Statement, Official Bond and Oath of Office for Director Bane. After review and discussion, Director Boudreaux moved to approve the Sworn Statement, Official Bond and Oath of Office and direct that the documents be filed in the official records of the District, and that the Oath of Office be filed with the Secretary of State, as required by law. Director Parker seconded the motion, which passed unanimously.

Mr. Pagan then distributed and reviewed a memorandum regarding Texas Open Meetings Act and Public Information Act training requirements for Directors and encouraged Director Bane to receive her training as soon as possible and forward her certificates of completion to ABHR for inclusion in the District's permanent records.

Mr. Pagan then reviewed a memorandum from ABHR regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code and disclosure forms adopted by the Texas Ethics Commission, a copy of which is attached. He stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers, and he reviewed the List of Local Government Officers. After review and discussion, Director Boudreaux moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Parker seconded the motion, which passed unanimously.

2024 DIRECTOR ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Courtney Boudreaux, Mark Marquis, and Omar Flores to the Board of Directors of the District each for a four-year term. Mr. Pagan reviewed the Sworn Statements and Oaths of Office for Directors Boudreaux, Marquis, and Flores.

After review and discussion, Parker moved to: (1) approve the Certificate of Election and its distribution to Directors Boudreaux, Marquis, and Flores; (2) approve the Sworn Statements and Oaths of Office and direct that the Oaths of Office be filed with the Secretary of State, as required by law; and (3) direct that all documents be filed appropriately and retained in the District's official records. Director Marquis seconded the motion, which passed unanimously.

DISTRICT REGISTRATION FORM

Mr. Pagan stated the District Registration Form must be filed with the Texas Commission on Environmental Quality (the "TCEQ") to show the new director and officer positions. After discussion, Director Parker moved to authorize ABHR to file the District Registration Form with the TCEQ. Director Marquis seconded the motion, which passed unanimously.

BOOKKEEPER'S REPORT

Ms. Davis presented and reviewed the bookkeeper's report and the summary of investments, a copy of which is attached, and the bills for the Board's review. Following review and discussion, Director Parker moved to approve the bookkeeper's report, the summary of investments, and payment of the bills. Director Marquis seconded the motion, which passed unanimously.

BUDGET FOR FISCAL YEAR END AUGUST 31, 2025

Ms. Davis then presented and reviewed the proposed budget for the fiscal year end August 31, 2025, a copy of which is included in the bookkeeper's report. Following review and discussion, Director Parker moved to adopt the budget as presented. Director Marquis seconded the motion, which passed unanimously.

TAX REPORT

Ms. Newman presented and reviewed the District's tax reports for the months of March, April and May, which include a list of checks that were written after the last meeting, and a list of delinquent taxpayers, copies of which are attached. She reported that 98.7% of the District's 2023 taxes were collected as of May 31, 2024. She also reported that the District's preliminary value for the 2024 tax year is \$596,404,408. After review and discussion, Director Parker moved to approve the tax report and the list of checks. Director Marquis seconded the motion, which passed unanimously.

COLLECTION OF DELINQUENT TAXES

The Board considered authorizing Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue") to proceed with the collection of 2023 real property taxes that are delinquent on July 1, 2024. Following discussion, Director Parker moved to authorize Perdue to proceed with the delinquent tax collection when appropriate. Director Marquis seconded the motion, which passed unanimously.

RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2024 TAX YEAR

Mr. Pagan 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. He 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. A copy of the memorandum regarding the "truth-in-taxation" property tax calculations is attached.

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 Developed District for the 2024 tax year.

Following review and discussion, Director Marquis moved to adopt a Resolution Regarding Development Status for 2024 Tax Year establishing the District as a Developed District for the 2024 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Flores seconded the motion, which passed unanimously.

The Board noted it will meet next on August 6, 2024.


Secretary, Board of Directors

(SEAL)



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