

MINUTES  
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

May 21, 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 21<sup>st</sup> day of May, 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, thus constituting a quorum.

Also attending the meeting were David Gallo with KB Home; Pamela Redden of McLennan & Associates, L.P.; Odett Newman of Bob Leared Interests; Jason Robinett of Costello, Inc.; Scott G. of Champions Hydro-Lawn, Inc.; and Heather Trachtenberg and Hope Palmer of Allen Boone Humphries Robinson LLP.

Ginger Manett, a resident of the District, attended by teleconference.

PUBLIC COMMENT

The Board opened the meeting for comments from the public. Ms. Manett requested information regarding the drainage and detention in the District and storm sewer manhole and sidewalk repairs.

There being no additional members of the public wishing to make comment, the Board closed the public comments portion of the meeting.

APPROVE MINUTES

The Board considered approving the minutes of the March 19, 2024, regular meeting and the April 25, 2024, special meeting. After review and discussion, Director Lannin moved to approve the minutes as submitted. Director Ross seconded the motion, which passed unanimously.

## 2024 DIRECTORS ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Cory Burton and Randall H. Trncak to the Board of Directors of the District each for a four-year term. Ms. Trachtenberg reviewed the Sworn Statements and Oaths of Office for Directors Burton and Trncak.

The Board discussed reorganizing the Board of Directors and concurred not to reorganize. Ms. Trachtenberg stated the District Registration Form must be filed with the Texas Commission on Environmental Quality (the "TCEQ") to show the new slate of officers.

After review and discussion, Lannin moved to: (1) approve the Certificate of Election and its distribution to Directors Burton and Trncak; (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; (3) authorize ABHR to file the District Registration Form with the TCEQ; and (4) direct that all documents be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which passed unanimously.

## OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING

Ms. Trachtenberg discussed the Texas Public Information Act ("TPIA") and noted that the Texas Legislature has made it explicit that officers and employees of governmental entities are temporary custodians of public information. She distributed a memorandum regarding Texas Open Meetings Act ("TOMA") and TPIA training requirements, a copy of which is attached. She noted that all Directors have previously completed TOMA training and encouraged the Board of Directors to receive TPIA training as soon as possible and forward their certificate of completion to ABHR for inclusion in the District's permanent records.

## AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END MAY 31, 2024

The Board reviewed a continuance letter from McGrath & Co., PLLC ("McGrath") for conducting the District's audit for the fiscal year ending May 31, 2024, for the estimated fee of \$14,000.00. A copy of the continuance letter is attached. Following review and discussion, Director Burton moved to authorize McGrath to prepare the District's audit. Director Ross seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Redden reviewed the bookkeeper's report and the investment report, copies of which are attached. Ms. Trachtenberg stated the remaining balance of the annexation deposit should be refunded to Century Land Holdings Development LLC. 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.

BUDGET FOR FISCAL YEAR ENDING MAY 31, 2025

Ms. Redden presented and reviewed the proposed budget for the fiscal year ending May 31, 2025, a copy of which is included in the bookkeeper's report. Following review and discussion, Director Burton moved to adopt the budget, as presented. Director Rich seconded the motion, which passed unanimously.

TRAVEL REIMBURSEMENT GUIDELINES FOR ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

The Board discussed the District's Travel Reimbursement Guidelines in connection with the upcoming AWBD summer conference, and discussion ensued regarding specific eligible and ineligible expenses for the conference. Ms. Trachtenberg stated eligible expenses include up to four per diems, up to three nights hotel stay, and up to three meals per day for directors only.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman presented and reviewed the tax assessor/collector's report for April, including the bills presented for payment and the delinquent tax roll. A copy of the tax report is attached. She stated that 98.4% of the District's 2023 taxes were collected as of April 30, 2024. Ms. Newman also reported that the District's preliminary estimated value for the 2024 tax year is \$205,842,602. 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.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

The Board considered authorizing the District's delinquent tax attorney, Perdue, Brandon, Fielder, and Collins & Mott, LLP ("Perdue"), to proceed with the collection of the 2023 delinquent tax accounts as of July 1, 2024. After discussion, Director Burton moved to authorize Perdue to proceed with the collection of delinquent taxes. 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. There were no items for the Board's approval.

## MS4 STORM WATER MANAGEMENT MATTERS

Ms. Trachtenberg updated the Board regarding MS4 storm water management program 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 discussed the storm sewer manhole and adjacent sidewalk near 818 Seadrift Court, and he presented and reviewed a proposal from Cuzz Construction in the amount of \$3,610.00, a copy of which is attached. Discussion ensued. Following review and discussion, Director Burton moved to: (1) designate Director Burton to review and approve a proposal to repair the storm sewer manhole and adjacent sidewalk in an amount not to exceed \$3,610.00, and (2) approve an agreement with the contractor, if appropriate. Director Lannin seconded the motion, which passed unanimously.

Mr. Robinett updated the Board regarding design of the facilities to serve Sunset Grove, Section 5 and stated he had no items for the Board's approval.

Mr. Robinett updated the Board regarding construction of the water, sewer and drainage facilities to serve Sunset Grove, Section 6. He reviewed and recommended approval of Pay Estimate Nos. 2 and 3 in the amounts of \$559,311.93 and \$458,370.41, respectively, payable to Blazey Construction Services, LLC.

Mr. Robinett updated the Board regarding construction of the water, sewer, and drainage facilities to serve Ambrose, Section 3. He reviewed and recommended approval of Pay Estimate Nos. 1 and 2 in the amounts of \$697,998.08 and \$588,781.21, respectively, payable to Principal Services, Ltd.

Mr. Robinett updated the Board regarding the mass excavation and grading and clearing and grubbing for Trails at Woodhaven Lakes, Section 2. He reviewed and recommended approval of Pay Estimate Nos. 1 and 2 in the amounts of \$175,969.80 and \$234,090.00, respectively, payable to R Construction Civil, LLC. Mr. Robinett also reviewed and recommended approval of Change Order No. 1 to the contract to increase the contract in the amount of \$4,075.00. Discussion ensued, and the Board determined that Change Order No. 1 is beneficial to the District.



Mr. Robinett updated the Board regarding construction of the water, sewer, drainage and paving facilities to serve Trails at Woodhaven Lakes, Section 2 and stated there were no items for the Board's approval.

Following review and discussion, Director Ross moved to (1) approve the engineer's report; (2) based on the engineer's recommendation, approve Pay Estimate Nos. 2 and 3 for the construction of the water, sewer and drainage facilities to serve Sunset Grove, Section 6; (3) based on the engineer's recommendation, approve Pay Estimate Nos. 1 and 2 for construction of the water, sewer, and drainage facilities to serve Ambrose, Section 3; (4) based on the engineer's recommendation and the Board's finding that the Change Order is beneficial to the District, approve Pay Estimate Nos. 1 and 2 and Change Order no. 1 for the mass excavation and grading and clearing and grubbing for Trails at Woodhaven Lakes, Section 2. Director Lannin seconded the motion, which passed unanimously.

#### UTILITY SERVICES AGREEMENT WITH THE CITY OF HITCHCOCK

Ms. Trachtenberg stated the utility services agreement is currently being reviewed by the City of Hitchcock.

#### UPDATE ON BOND APPLICATION NO. 3

Ms. Trachtenberg updated the Board regarding preparation of the bond application, and she stated that based on the District's current value the amount of the bond application can be increased to \$6,250,000.

#### REPORT REGARDING DEVELOPMENT AND AMENDMENT TO DEVELOPMENT FINANCING AGREEMENT

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

Ms. Trachtenberg reviewed an Amended and Restated Financing and Reimbursement Agreement with M/I Homes of Houston, LLC ("Amended and Restated Agreement"). Following review and discussion, Director Ross moved to approve the Amended and Restated Agreement. Director Lannin seconded the motion, which passed unanimously.

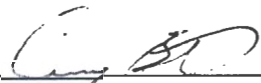
#### NEXT MEETING DATE AND AGENDA ITEMS

Following discussion, the Board concurred to hold its next meeting on June 18, 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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