

MINUTES
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

July 16, 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 16th day of July, 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 Arturo Gonzalez, Amelia Switz, and Grant Fletcher of M/I Homes of Houston, LLC; Renee Butler of McLennan & Associates, L.P.; Odett Newman of Bob Leared Interests; Anthea Moran of Masterson Advisors, LLC; Jason Robinett of Pape-Dawson Engineers, Inc.; Scott Gray of Champions Hydro-Lawn, Inc.; and Heather Kelly and Danielle Hudson of Allen Boone Humphries Robinson LLP.

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

PUBLIC COMMENT

The Board opened the meeting for comments from the public. Ms. Manett requested information regarding the drainage and detention facilities in the District and storm sewer manhole and sidewalk repairs. Mr. Robinett stated that the City of La Marque completed the sidewalk repairs in question on June 10, 2024.

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 May 21, 2024, regular meeting. After review and discussion, Director Burton moved to approve the minutes as submitted. Director Ross seconded the motion, which passed unanimously.

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

The Board discussed the AWBD summer conference and considered authorizing attendance at the winter conference in Austin, Texas from January 24-25, 2025. After review and discussion, Director Burton moved to (1) approve reimbursement of all eligible expenses for Directors who attended the summer conference, which the District's bookkeeper confirmed are in compliance with the District's Travel Reimbursement Guidelines; and (2) authorize attendance of any interested Directors 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 Ross seconded the motion, which passed unanimously.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a proposal from Brown & Brown Insurance ("Brown & Brown"), the District's current insurance provider, for renewal of the District's insurance policies, which expire on August 28, 2024. Following review and discussion, Director Ross moved to approve Brown & Brown's proposal for the renewal of the District's insurance policies. Director Burton seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman presented and reviewed the tax assessor/collector's report for June 2024, including the bills presented for payment and the delinquent tax roll. A copy of the tax report is attached. She stated that 98.8% of the District's 2023 taxes were collected as of June 30, 2024.

The Board requested that Ms. Newman provide an updated report of the delinquent tax accounts from the District's delinquent tax attorney, Perdue Brandon Fielder Collins & Mott, LLP, and provide the report at the next Board meeting.

Ms. Newman 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 Rich seconded the motion, which passed unanimously.

RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2024 TAX YEAR

Ms. Kelly 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 2024 tax year.

Following review and discussion, Director Burton moved to adopt the Resolution Regarding Development Status for 2024 Tax Year establishing the District as a Developing District for the 2024 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 Rich 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 recommended the District begin maintaining the 2.9-acre detention pond at Ambrose, Section 2. Mr. Gray presented and reviewed an updated budget to include the maintenance surrounding the detention pond, as discussed, in the total amount of \$28,531.00 annually.

Mr. Gray then presented and reviewed a proposal to remove 1,296 linear feet of silt fencing in the District in the amount of \$1,944.00, a copy of which is attached to the detention and drainage facilities report. Discussion ensued. The Board deferred action on this item.

Following review and discussion, Director Burton moved to approve the detention and drainage facilities report. Director Ross seconded the motion, which passed unanimously.

MS4 STORM WATER MANAGEMENT MATTERS

There was no discussion on this agenda 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 reviewed the plans and specifications for the water, sewer, and drainage facilities to serve Sunset Grove, Section 5 and requested the Board's authorization to advertise the project for bids.

Mr. Robinett reviewed the plans and specifications for the Bayou Ridge Clearing and Grubbing project and requested the Board's authorization to advertise the project for bids.

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 No. 4 in the amount of \$85,473.00, payable to Blazey Construction Services, LLC ("Blazey"). Mr. Robinett also reviewed and recommended approval of Change Order No. 2 to the contract to increase the contract in the amount of \$9,242.20. The Board determined that Change Order No. 2 is beneficial to the District.

Mr. Robinett updated the Board regarding construction of the water, sewer, and drainage facilities to serve Ambrose, Section 3, and stated there were no items for the Board's approval.

Mr. Robinett updated the Board regarding the mass excavation and grading and clearing and grubbing for Trails at Woodhaven Lakes, Section 2 project. He reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$78,663.60, payable to R Construction Civil, LLC ("R Construction").

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.

There was no discussion on deeds, easements, or consents to encroachments.

Following review and discussion, Director Ross moved to (1) approve the engineer's report; (2) approve the plans and specifications and authorize advertisement of the following projects: (i) water, sewer, and drainage facilities to serve Sunset Grove, Section 5; and (ii) Bayou Ridge Clearing and Grubbing; (3) based on the engineer's recommendation and the Board's finding that the Change Order is beneficial to the District, approve Pay Estimate No. 4 in the amount of \$85,473.00, payable to Blazey, and Change Order No. 2 for the construction of the water, sewer and drainage facilities to serve Sunset Grove, Section 6; and (4) based on the engineer's recommendation, approve Pay Estimate No. 3 in the amount of 78,663.60, payable to R Construction, for

the mass excavation and grading and clearing and grubbing for Trails at Woodhaven Lakes, Section 2 project. Director Burton seconded the motion, which passed unanimously.

UTILITY SERVICES AGREEMENT WITH THE CITY OF HITCHCOCK

Ms. Kelly updated the Board on the status of Utility Services Agreement between the District and the City of Hitchcock, which is still under review.

UPDATE ON BOND APPLICATION NO. 3

Ms. Moran updated the Board on the status of bond application no. 3, which is currently under review by the Texas Commission on Environmental Quality.

REPORT REGARDING DEVELOPMENT

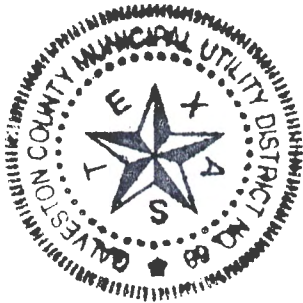
Mr. Gonzalez updated the Board on development in the District.

NEXT MEETING DATE AND AGENDA ITEMS

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