

MINUTES
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

August 20, 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 20th day of August, 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:

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| 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 Renee Butler of McLennan & Associates, L.P.; Odett Newman of Bob Leared Interests; Anthea Moran and Sandra Lopez of Masterson Advisors, LLC; Jason Robinett of Pape-Dawson Engineers, Inc. ("Pape-Dawson"); Scott Gray of Champions Hydro-Lawn, Inc. ("Champions"); Brianne Geaslin of KB Home; Amelia Switz of M/I Homes of Houston, LLC ("M/I Homes"); and Heather Kelly and Kathryn Easey of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENT

The Board opened the meeting for comments from the public. There being no 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 July 16, 2024, regular meeting. After review and discussion, Director Ross moved to approve the minutes as submitted. Director Burton 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 Lannin 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.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman presented and reviewed the tax assessor/collector's report for July, including the bills presented for payment and the delinquent tax roll. A copy of the tax report is attached.

Ms. Newman reviewed the delinquent tax report prepared by Perdue Brandon Fielder Collins & Mott, LLP, a copy of which is attached. Discussion ensued.

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.

DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Ms. Moran distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2024 water, sewer, and drainage debt service tax rate of \$0.73 per \$100 of assessed valuation, based on the District's initial 2024 certified value of \$175,923,577, plus \$11,562,663 representing 85% of the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Ms. Moran then discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Lannin moved to (1) set the public hearing date for September 17, 2024; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on September 17, 2024, to set the proposed 2024 total tax rate of \$0.8640 per \$100 of assessed valuation, with \$0.73 allocated for debt service on water, sewer, and drainage bonds, and \$0.134 allocated for operations and maintenance. Director Rich seconded the motion, which passed unanimously.

SERIES 2024 UNLIMITED TAX BONDS

Ms. Moran updated the Board on the status of the Texas Commission on Environmental Quality's review of the bond application.

Ms. Moran distributed and reviewed a draft Preliminary Official Statement and Notice of Sale for the \$6,250,000 Unlimited Tax Bonds, Series 2024 (the "Bonds"). She requested authorization to apply with Moody's Investor Services to perform a credit rating analysis in connection with the Bonds.

The Board discussed appointing The Bank of New York Mellon Trust Company, N.A., as Paying Agent/Registrar for the Bonds.

The Board considered authorizing the District's financial advisor to advertise the sale of the District's Bonds and to authorize the District's auditor to prepare the developer reimbursement report.

Following review and discussion, Director Burton moved to (1) approve the Preliminary Official Statement and Notice of Sale; (2) authorize submission of an application with Moody's Investor Services to perform a credit rating analysis; (3) appoint The Bank of New York Mellon Trust Company, N.A. as the paying agent/registrar for the Bonds; (4) authorize the District's financial advisor to advertise the sale of the Bonds; and (5) authorize the auditor to begin preparation of the developer reimbursement report. Director Ross 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 removing 1,296 linear feet of silt fencing located in Ambrose Section 2 and the Sunset Grove detention pond. Mr. Gray stated the cost to remove the silt fencing is \$1,944.00. Following review and discussion, Director Burton moved to authorize Champions to remove the silt fencing. 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 Bayou Ridge Pond/Mass Grading/Clearing and Grubbing for Section 1 project and requested the Board's authorization to advertise the project for bids. He stated the Bayou Ridge Clearing & Grubbing project that was previously authorized to advertise for bids will be re-bid with the Bayou Ridge Pond/Mass Grading/Clearing and Grubbing for Section 1 project.

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. 5 in the amount of \$9,000.00, payable to Blazey Construction Services, LLC ("Blazey").

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 No. 3 in the amount of \$32,661.48, payable to Principal Services, Ltd. ("Principal").

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. 4 in the amount of \$127,515.60 and Pay Estimate No. 5 in the amount of \$44,482.50, 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. He reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$276,003.00 and Pay Estimate No. 2 in the amount of \$1,057,820.35, payable to R Construction.

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 Pape-Dawson to advertise for bids for the Bayou Ridge Pond/Mass Grading/Clearing and Grubbing for Section 1 project, including re-bidding the Bayou Ridge Clearing & Grubbing project; (3) based on the engineer's recommendation, approve Pay Estimate No. 5 in the amount of \$9,000.00, payable to Blazey, for the construction of the water, sewer and drainage facilities to serve Sunset Grove, Section 6; (4) based on the engineer's recommendation, approve Pay Estimate No. 3 in the amount of \$32,661.48, payable to Principal, for the water, sewer, and drainage facilities to serve Ambrose, Section 3; (5) based on the engineer's recommendation, approve Pay Estimate No. 4 in the amount of \$127,515.60 and Pay Estimate No. 5 in the amount of \$44,482.50, payable to R Construction, for the mass excavation and grading and clearing and grubbing for Trails at Woodhaven Lakes, Section 2 project; and (6) based on the engineer's recommendation, approve Pay Estimate No. 1 in the amount of \$276,003.00 and Pay Estimate No. 2 in the amount of \$1,057,820.35, payable to R Construction, for the water, sewer, drainage and paving facilities to serve Trails at Woodhaven Lakes. Director Lannin 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 (the "City"), which is still under review by the City.

REPORT REGARDING DEVELOPMENT

Ms. Geaslin updated the Board on development in the District by KB Home.

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

NEXT MEETING DATE AND AGENDA ITEMS

Following discussion, the Board concurred to hold its next meeting on September 17, 2024, at 2:00 p.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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