

MINUTES
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 68

September 17, 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 17th day of September, 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 Justin Klump of Storm Water Solutions, LLC; Greg McGrath of McGrath & Co., PLLC; 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. (“Pape-Dawson”); Scott Gray of Champions Hydro-Lawn, Inc. (“Champions”); Brianne Geaslin of KB Home; and Heather Kelly and Kia Fields of Allen Boone Humphries Robinson LLP (“ABHR”).

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 August 20, 2024, regular meeting. After review and discussion, Director Ross moved to approve the minutes as submitted. Director Lannin seconded the motion, which passed unanimously.

SERIES 2024 UNLIMITED TAX BONDS

Ms. Moran presented and reviewed a summary of the bids received for the sale of the District’s \$6,250,000 Unlimited Tax Bonds, Series 2024 (the “Bonds”), a copy of which is attached. She stated the low bid submitted by Fidelity Capital Markets (“Fidelity”) with a net effective interest rate of 4.070341% was reviewed and all numbers checked, and everything was found to be correct and consistent with the

conditions in the Notice of Sale. Ms. Moran recommended that the District accept the bid of Fidelity for the Bonds as submitted. She then reviewed a credit opinion prepared by Moody's Investors Services, a copy of which is attached to the summary of bids. She stated the Bonds qualified for bond insurance and received an insured rating.

The Board next considered adopting the Resolution Authorizing the Issuance of the District's Bonds (the "Resolution"). Ms. Kelly presented and reviewed the proposed Resolution with the Board, which included explanation that the documents set forth the terms and provisions of issuance and delivery of the Bonds, the payment of principal and interest over the life of the Bonds, and certain District covenants regarding continuing disclosure and the tax-exempt status of the Bonds.

The Board next considered execution of the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. Ms. Kelly reviewed the agreement and the provisions by which the paying agent/registrar will handle registration, transfer, and payment of the District's Bonds.

The Board next considered approving the Official Statement for the Bonds. Ms. Kelly explained that the Preliminary Official Statement would be revised to reflect the terms of this sale, including the purchaser, interest rates, and debt service requirements.

Ms. Kelly next explained that there will be various documents related to delivery of the Bonds requiring execution by the directors prior to closing. She requested the Board authorize the Board of Directors to execute documents necessary in connection with the transaction and authorize the District's attorney and financial advisor to take all necessary action to deliver the Bonds to the purchaser.

Ms. Kelly presented and reviewed the Certificate Regarding Provision of Financial Advice certifying that ABHR has not provided financial advice to the Board concerning the issuance of the Bonds and that the Board has relied on the municipal advisor, Masterson Advisors LLC, for financial advice.

Ms. Kelly stated that payment is required by the Texas Attorney General for review of the transcript for the Bonds. The Board considered approving the payment to the Attorney General relating to bond issue transcript review.

Ms. Kelly reviewed an Amendment to the District's Information Form, which she stated reflects the updated total amount of bonds sold by the District, and will be filed with the Texas Commission on Environmental Quality ("TCEQ") and recorded in the official property records of Galveston County.

Mr. Robinett reported that the pre-purchase inspection by the TCEQ was completed and that no deficiencies were identified.

Following review and discussion, Director Burton moved to (1) award the sale of the Bonds to Fidelity with a net effective interest rate of 4.070341%; (2) adopt the Resolution; (3) approve the Paying Agent/Registrar Agreement; (4) approve the Official Statement; (5) authorize execution of documents related to the sale and delivery of the Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Bonds; (6) approve the Certificate Regarding Provision of Financial Advice; (7) approve the payment to the Attorney General relating to bond issue transcript review; and (8) approve the Amendment to Information Form and direct that it be filed with the TCEQ and recorded in the official property records of Galveston County and retained in the District's records. Director Ross seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END MAY 31, 2024

Mr. McGrath presented and reviewed the draft audit for the fiscal year end May 31, 2024. Following review and discussion, Director Burton moved to approve the audit, subject to finalization, and direct that the audit be filed appropriately and retained in the District's official records. Director Rich 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.

ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy, and Ms. Kelly stated that neither ABHR nor the bookkeeper have any recommended changes. Following review and discussion, Director Trncak moved to adopt a Resolution Regarding Annual Review of Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which passed unanimously.

RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Kelly reviewed a Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. She next reviewed a list of qualified broker/dealers provided by the District's bookkeeper, a copy of which is attached. Following review and discussion, Director Burton moved to adopt a Resolution Establishing the Authorized

Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman presented and reviewed the tax assessor/collector's report for August, including the bills presented for payment and the delinquent tax roll. A copy of the tax report is attached. After review and discussion, Director Burton moved to approve the tax assessor/collector's report and payment of the tax bills. Director Ross seconded the motion, which passed unanimously.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Kelly stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2024 total tax rate of \$0.864.

The Board opened the public hearing. There being no comments from the public, the Board closed the public hearing.

Ms. Kelly presented an Order Levying Taxes reflecting the proposed 2024 tax rate. She then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with the TCEQ and recorded in the official public records of Galveston County.

After review and discussion, Director Burton moved to (1) adopt the Order Levying Taxes reflecting a total 2024 tax rate of \$0.864 per \$100 of assessed valuation, comprised of \$0.73 to pay debt service on water, sewer, and drainage bonds, and \$0.134 for operations and maintenance; (2) approve the Amendment to Information Form and direct that it be filed with the TCEQ and the Official Public Records of Galveston County; and (3) direct that the Order and Amendment 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.

MS4 STORM WATER MANAGEMENT MATTERS

Mr. Klump discussed the Texas Commission on Environmental Quality's ("TCEQ") 2024 renewal of the Texas Pollutant Discharge Elimination System (TPDES) General Permit No. TXR040000, Small Municipal Separate Storm Sewer Systems (Phase II) General Permit ("General Permit") with the Board. He stated the District's population is over the threshold for a waiver for this permit term. Mr. Klump then presented and reviewed a proposal from SWS in the annual amount of \$6,000.00 for services related to coordinating with the City of LaMarque to ensure compliance with the new General Permit and to prepare and submit a Notice of Intent application to the TCEQ for the District. Following review and discussion, Director Burton moved to approve the proposal in the amount of \$6,000.00 and direct that the proposal be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which passed unanimously.

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 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. 6 in the amount of \$196,378.06, payable to Blazey Construction Services, LLC ("Blazey").

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. 6 in the amount of \$43,974.25, 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. 3 in the amount of \$19,107.00, payable to R Construction.

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

Following review and discussion, Director Lannin moved to (1) approve the engineer's report; (2) based on the engineer's recommendation, approve Pay Estimate No. 6 in the amount of \$196,378.06, payable to Blazey, 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 No. 6 in the amount of \$43,974.25, payable to R Construction, for the mass excavation and grading and clearing and grubbing for Trails at Woodhaven Lakes, Section 2 project; and (4) based on the

engineer's recommendation, approve Pay Estimate No. 3 in the amount of \$19,107.00, payable to R Construction, for the water, sewer, drainage and paving facilities to serve Trails at Woodhaven Lakes. Director Rich seconded the motion, which passed unanimously.

DEEDS, EASEMENTS, PLATS, CONSENTS TO ENCROACHMENT, REQUESTS FOR SERVICE OR UTILITY COMMITMENT LETTERS

The Board considered accepting conveyance of a Special Warranty Deed ("Deed") for a drainage reserve consisting of a 0.7-acre tract in Ambrose Section 2 from M/I Homes of Houston, LLC ("M/I Homes"). Following review and discussion, Director Lannin moved to accept conveyance of the Deed and direct that the Deed be filed appropriately and retained in the District's official records. Director Rich 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.

On behalf of M/I Homes, Mr. Robinett updated the Board on development in the District.

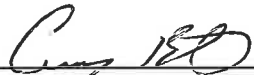
NEXT MEETING DATE AND AGENDA ITEMS

Following discussion, the Board concurred to hold its next meeting on October 15, 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

	<u>Minutes</u>
	<u>Page</u>
Summary of the bids received for the sale of the District's Bonds	1
Bookkeeper's report and investment report	3
List of qualified broker/dealers.....	3
Tax assessor/collector's report	4
Detention and drainage facilities report.....	4
Engineer's report.....	5