

MINUTES
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 39

August 5, 2025

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 5th day of August, 2025, 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
Donna Bane	Secretary
Mark Marquis	Assistant Vice President
Omar Flores	Assistant Secretary

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

Also attending the meeting were Griselda Lee of McGrath & Co., PLLC ("McGrath"); Dana Davis of Myrtle Cruz, Inc.; Odett Newman of Bob Leared Interests; Anthea Moran of Masterson Advisors, LLC; and Andrew Vaughan and Franky Wallace 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 4, 2025, regular meeting. Following review and discussion, Director Parker moved to approve the minutes, as submitted. Director Boudreaux seconded the motion, which passed unanimously.

AUTHORIZE AUDITOR FOR FISCAL YEAR END AUGUST 31, 2025

The Board considered authorizing McGrath to conduct the audit for the fiscal year ending August 31, 2025. Ms. Lee reviewed a letter from McGrath, a copy of which is attached, noting that the estimated fee for conducting the audit will be between \$14,500.00 and \$16,500.00. Following review and discussion, Director Parker moved to authorize McGrath to begin the fiscal year audit. 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, 2026

Ms. Davis then presented and reviewed the proposed budget for the fiscal year end August 31, 2026, 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.

COLLECTION OF DELINQUENT TAXES

The Board considered authorizing Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue") to proceed with the collection of 2024 real property taxes that were delinquent on July 1, 2025. Following discussion, Director Parker moved to authorize Perdue to proceed with the delinquent tax collection. Director Boudreaux seconded the motion, which passed unanimously.

RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2025 TAX YEAR

Mr. Vaughan 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.

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 2025 tax year.

Following review and discussion, Director Parker moved to adopt a Resolution Regarding Development Status for 2025 Tax Year establishing the District as a Developed District for the 2025 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.

TAX REPORT

Ms. Newman presented and reviewed the District's tax reports for the months of March, April, May, June, and July 2025, 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 99.0% of the District's 2024 taxes were collected as of July 31, 2025. After review and discussion, Director Parker moved to approve the tax reports and the list of checks. Director Marquis seconded the motion, which passed unanimously.

2025 TAX RATE

The Board considered the District's 2025 tax rate. Ms. Moran distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2025 debt service tax rate of \$0.325 per \$100 of assessed valuation based on the District's initial 2025 certified value of \$562,124,252, plus \$27,640,800 representing 80% of the uncertified value under protest. A copy of the debt service tax rate analysis is attached.

Ms. Moran then reviewed a summary of the outstanding bonds and the Series 2014 redemption analysis, a copy of which is attached.

The Board then discussed the District's operation and maintenance tax rate. Mr. Vaughan discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Marquis moved to: (1) set the public hearing date for September 2, 2025; and (2) authorize the tax assessor/collector to publish notice in the Galveston Daily News of the District's meeting on September 2, 2025, to set the proposed 2025 total tax rate of \$0.37 per \$100 of assessed valuation, with \$0.325 allocated for debt service on water, sewer, and drainage bonds and \$0.045 allocated for operations and maintenance. Director Bane seconded the motion, which passed unanimously.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Mr. Vaughan stated the District's insurance policies with Brown & Brown Lone Star Insurance Agency will expire on October 1, 2025. He stated a renewal proposal will be provided at the next meeting.

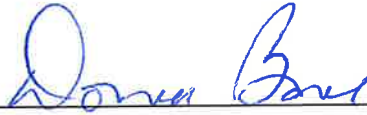
ARBITRAGE REBATE REPORT

Mr. Vaughan discussed the Arbitrage Rebate Report for the Series 2015 Park Bonds, which he stated will be retained in the District's official records.

REPORT ON LEGISLATIVE MATTERS

Mr. Vaughan reviewed a legislative report prepared by ABHR regarding the 89th Regular Session of the Texas Legislature.

The Board noted it will meet next on September 2, 2025.



Secretary, Board of Directors



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