

MINUTES
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 39

August 4, 2026

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 4th day of August, 2026, 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 Spencer Day of Masterson Advisors, LLC; Griselda Lee of McGrath & Co., PLLC ("McGrath"); Dana Davis of Myrtle Cruz, Inc.; Odett Champion of Bob Leared Interests; and Greer Pagan and Hope Palmer 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 April 7, 2026, regular meeting. Following review and discussion, Director Bane moved to approve the minutes, as submitted. Director Marquis seconded the motion, which passed unanimously.

2026 DIRECTOR ELECTION

The Board considered approving a Certificate of Election, reflecting the election of David Parker and Donna Bane to the Board of Directors of the District each for a four-year term. Mr. Pagan reviewed the Sworn Statements and Oaths of Office for Directors Parker and Bane.

After review and discussion, Director Boudreaux moved to: (1) approve the Certificate of Election and its distribution to Directors Parker and Bane; (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; and (3) direct that all documents be filed appropriately and retained in the District's official records. Director Flores seconded the motion, which passed unanimously.

REORGANIZE THE BOARD OF DIRECTORS AND AUTHORIZE FILING OF DISTRICT REGISTRATION FORM

The Board considered reorganizing the Board of Directors, and following discussion concurred not to reorganize. Mr. Pagan stated the District Registration Form must be filed with the Texas Commission on Environmental Quality (the "TCEQ") to show the Directors' new terms of office. After discussion, Director Boudreaux moved to authorize ABHR to file the District Registration Form with the TCEQ. Director Flores seconded the motion, which passed unanimously.

CYBERSECURITY AND ARTIFICIAL INTELLIGENCE TRAINING

Mr. Pagan reviewed a memorandum regarding annual cybersecurity and artificial intelligence training requirements for local government employees and elected and appointed officials. He stated that the required training should be completed and reported to ABHR prior to the August 31st deadline for reporting compliance to the Texas Department of Information Resources ("DIR"). After review and discussion, the Board directed the required persons to complete their certified training programs and report their completion to ABHR for reporting to DIR by August 31st.

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 Marquis moved to approve the bookkeeper's report, the summary of investments, and payment of the bills. Director Flores seconded the motion, which passed unanimously.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END AUGUST 31, 2026

The Board considered authorizing McGrath to conduct the audit for the fiscal year ending August 31, 2026. Ms. Lee reviewed a letter from McGrath, a copy of which is attached, noting that the estimated fee for conducting the audit will be \$15,500.00. Following review and discussion, Director Boudreaux moved to authorize McGrath to begin the fiscal year audit. Director Bane seconded the motion, which passed unanimously.

DISCUSS 2026 TAX RATE

The Board considered the District's 2026 tax rate. Mr. Day distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2026 debt service tax rate of \$0.31 per \$100 of assessed valuation based on the District's initial 2026 certified value of \$559,630,491, plus \$9,262,951 representing 80% 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. Mr. Pagan discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Boudreaux moved to: (1) set the public hearing date for September 1, 2026; and (2) authorize the tax assessor/collector to publish notice in the Galveston Daily News of the District's meeting on September 1, 2026, to set the proposed 2026 total tax rate of \$0.36 per \$100 of assessed valuation, with \$0.31 allocated for debt service on water, sewer, and drainage bonds and \$0.05 allocated for operations and maintenance. Director Bane seconded the motion, which passed unanimously.

ADOPT BUDGET FOR FISCAL YEAR END AUGUST 31, 2027

Ms. Davis presented and reviewed the budget for the fiscal year end August 31, 2027. Following review and discussion, Director Boudreaux moved to adopt the budget, as presented. Director Bane seconded the motion, which passed unanimously.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Mr. Pagan stated the District's insurance policies will expire on October 1, 2026, and he expects to have the renewal proposal for the Board's review at the next meeting.

TAX REPORT

Ms. Champion presented and reviewed the District's tax report, which includes a list of checks that were written after the last meeting and a list of delinquent taxpayers, a copy of which is attached. She reported that 98.9% of the District's 2025 taxes were collected as of July 31, 2026. After review and discussion, Director Boudreaux moved to approve the tax reports and the list of checks. Director Flores seconded the motion, which passed unanimously.

AMENDED AND RESTATED AGREEMENT FOR SERVICES OF TAX ASSESSOR AND COLLECTOR

Ms. Champion presented and reviewed an Amended and Restated Agreement for Services of Tax Assessor and Collector (the “Amended Agreement”), which she stated includes updated fees. Following discussion, the Board requested she provide a summary of the contract revisions at the next meeting.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

The Board considered authorizing Perdue, Brandon, Fielder, Collins & Mott, LLP (“Perdue”) to proceed with the collection of 2025 real property taxes that were delinquent on July 1, 2026. Following discussion, Director Boudreaux moved to authorize Perdue to proceed with the delinquent tax collection. Director Flores seconded the motion, which passed unanimously.

REVIEW ARBITRAGE REBATE REPORT FOR SERIES 2021 REFUNDING BONDS

Mr. Pagan discussed the Arbitrage Rebate Report for the Series 2021 Unlimited Tax Refunding Bonds, which he stated will be retained in the District’s official records.

The Board noted it will meet next on September 1, 2026.




Secretary, Board of Directors

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