



GALVESTON COUNTY DRAINAGE DISTRICT NUMBER 2
MINUTES OF BOARD OF DIRECTORS
REGULAR MEETING
AUGUST 10, 2023

The Board of Directors (the "Board") of GALVESTON COUNTY DRAINAGE DISTRICT NO. 2 (the "District") met in regular session, on the **10th of August, 2023, at 4:00 p.m.**, in the Meeting Room of the District at 5000 F.M. 1765, La Marque, Texas 77568, pursuant to notice of said meeting in accordance with Chapter 551 of the Texas Government Code, whereupon the roll was called of the members of the Board, to-wit:

Those Present: Board Members

Jack Ellison Jr. – Director

Angel Murphy – Director

Not Present: Board Member

Wayne Hobgood - Director

There being two members of the Board present, thus constituting a quorum. Also attending were Mr. Landry Cravens ("District Manager"); Ms. Monica A. Garza, Attorney of Polley Garza PLLC; Mr. Steve Haskins of Protocol Bookkeeping Inc., Bookkeeper for the District; Mr. Stephen Wilcox, P.E. of Costello Inc., Engineer for the District; Ms. Candace Warren, Office Administrator / Records Management Officer for the District; Dean Oliver, Operator for the District; and Detective Matthew Cypert. A copy of the sign-in sheet is attached hereto, with no attendees present.

1) Call Meeting to Order

a) Roll Call of the Board of Directors

Director Ellison Jr., after finding that notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order at 4:02 p.m. and declared it open for such business as may regularly come before it.

b) Invocation (led by Mr. Landry Cravens, District Manager)

c) Pledge of Allegiance

2) Public Comments

a) Members of the public are required to complete a "Request to Speak" form. Public comments are limited to 3 minutes in length. Speakers making personal, impertinent, profane, or slanderous remarks shall forfeit his/her remaining time and shall be seated.

3) Bookkeeper's Report, including:

a) Approval of Payments of Bills and Investments

Mr. Haskins began the discussion by providing an overall recap of the District funds. He presented the Bookkeeper's Report for the month of July 2023. Attached you will find the Bookkeeper's Report.

b) Approval of Money Market Transfer

Mr. Haskins next requested authorization from the Board to transfer \$100k from the Districts' Money Market account to the Districts' General operating fund. A motion was made by Director Ellison Jr. and was seconded by Director Murphy to approve the transfer of \$100k to our General operating fund.

c) Approval of Amend Fiscal Year Ending September 30, 2023 Budget.

In this discussion, Mr. Haskins stated that he and Mr. Cravens had been working on the preparation of the budget for FY 2023/2024, but he felt the need to set another date for a workshop would be necessary. Mr. Haskins also stated that he did not have the certified tax rolls from the Galveston County Tax Office, and that he would need that in order to finalize the budget preparation. Mr. Haskins stated that the wait should not be long.

Director Ellison Jr. stated he wanted to wait to approve the payments of bills until he could review and sign them.

4) Old Business:

a) Discussion on Sweep Accounts with Amegy Bank

Mr. Cravens began explaining that this topic was tabled last month, but he recounted that bank representatives Mr. Steve Peters and Mr. Dennis Itzep from Amegy Bank were here, giving the presentation on how the sweep accounts work, and the question of whether it would comply with our investment policy was considered. Ms. Monica Garza stated that it does. Mr. Cravens noted that interest fluctuates, and currently it is high. Mr. Cravens said that there is no cost to the District, and his recommendation would be to approve it, if asked. However, because Director Hobgood was not present, a motion was made by Director Ellison Jr. to table the discussion of the Sweep Accounts with Amegy Bank until next month.

5) New Business:

a) Resolution Declaring Development Status of District for 2023 Tax Rate

Ms. Monica Garza stated that there is a determination of how the district is rated, and she stated that we should be designated as a developing district. Because of that classification, she recommended having a separate resolution stating that we are a low tax rate district. The resolution and the worksheets that were submitted to the Galveston County Tax Office incorporate that developing status. This item was tabled until all Board members were in attendance, stated Director Ellison Jr., and the motion was seconded by Director Murphy.

b) Review 2023 Tax Rate setting process and proposed tax rate, authorize publication of proposed tax rate and set public hearing date.

Ms. Garza stated that we have an agreement with the Galveston County Tax Office, that they prepare the calculations for the worksheet. This worksheet helps to determine a tax rate, and based on line item 7, which is the average taxable value, and the tax rate established for last year, her recommendation for line 10 is the highest tax rate that could set at **.044553**, for the 2023 tax year. It was stressed that the decision to set a tax rate to be published is by informing the residents of the District, and to let them

know that the date and time to set the rate at the next meeting has been set for the September regular meeting. Director Ellison Jr. wanted to clarify that this rate was just to publish, until all Board members were present. A motion was made to approve the publication of the proposed tax rate and set a public hearing date by Director Ellison Jr., and it was seconded by Director Murphy.

c) Approval of July 13, 2023 regular meeting minutes.

Director Murphy announced that she wanted the approval of the July 13, 2023 minutes to be tabled, since she had not read the minutes as of this meeting. Director Ellison Jr. made a motion to table the approval of the minutes, and Director Murphy seconded that motion.

d) Pay Raises

Mr. Cravens stated that since the budget had not been set as of the time of the meeting, that he would recommend the Board table the discussion until the next regular meeting. Director Ellison Jr. made a motion to table the discussion of Pay Raises, and Director Murphy seconded the motion.

6) Engineer's Report, including:

a) 2023-002 Brookwater Ditch 6 Sect. 1

Mr. Wilcox stated that this project is not ready yet, because they still owe a payment. Therefore, it is not able to be approved by the Board at this meeting.

b) 2021-026 Ditch 6 Lago Mar Phase 2 – 24" Force Main

Mr. Wilcox stated that they have not submitted site plans yet. Therefore, it is not able to be approved by the Board at this meeting.

c) 2023-017 Ditch 6 Central Park Sect. 3

Mr. Wilcox asked whether they had paid their impact fee, and after learning they had paid, he recommended that the Board approve. Mr. Cravens also recommended that this project be approved. Director Ellison Jr. made a motion to approve, while Director Murphy seconded the motion.

d) 2023-015 Ditch 9 La Marque Commercial Development (Former Dog Track)

Mr. Wilcox stated that they are not required to pay an impact fee, and that they're not changing anything. He recommended approval, stating that what they're doing would have no impact on the District. Mr. Cravens also recommended that the Board give approval. Director Ellison Jr. and Director Murphy unanimously voted to make a motion to approve this project.

e) 2023-016 Ditch 10 Ambrose Sect. 3

Mr. Wilcox stated that they have provided detention. He stated that they had met all of the requirements, and that it's only this section that needs approval. He recommended the Board approve the project. Upon the recommendation of Mr. Wilcox and Mr. Cravens, Director Ellison Jr. made a motion to approve Ditch 10 Ambrose Sect. 3, and the motion was seconded by Director Murphy.

f) Ditch 7 Topographic Survey

Mr. Wilcox stated that there has never been a study done for Ditch 7, and that there are two significant developments that are in the early planning phases. He stated that a study needs to take place, because the District has never had a study done, and cannot identify the floodplain. He stated that if he were to do the study for us, it would be at a cost of \$125,000.00, and that it wouldn't happen before early next year, but that he believed that having engineering firms who he

trusts to do a hydraulic model portion. If this were to happen, he stated, the District would need to provide them with a topographic survey. That will ensure that they build the model correctly. Director Ellison Jr. asked Mr. Wilcox what the cost would be for the study, and Mr. Wilcox stated that it would be \$44,000.00. - \$26,000.00 for surveying, and \$18,000.00 for his expenses. Director Ellison Jr. asked what the deadline would be, and Mr. Wilcox stated that if a motion were made, he would have it done by Wednesday. Director Ellison Jr. made a motion to approve Ditch 7 Topographic Survey, and the motion was seconded by Director Murphy.

g) Adopt District Development Policy

Mr. Wilcox recommended prioritizing the Design Criteria Guidance. He stated that by adopting this policy, it would clean up a lot of issues. He also stated that until Galveston County releases and updates a criteria manual, he must continue to use Harris County's flood control district perimeters and methodology. Mr. Cravens agreed to this statement and recommended also that a motion be made for approval. Director Ellison Jr. made a motion to approve the motion and it was seconded by Director Murphy, to approve the District Development Policy and Design Criteria Guidance.

7) District Manager's Report, including:

- a)** District property, facilities, infrastructure, vehicles, equipment, projects, developments, compliance, reporting, and personnel matters

On the operating side, Mr. Cravens stated that the crew finished mowing Ditch 5A and 5B, Ditch 6B got dipped out, and Ditch 8 was mowed. On the maintenance side, the crew sloped mowed Ditch 10, Westward, re-mowed Ditch 5, completed Ditch 2, and got Ditch 10A section completed. Mr. Cravens also stated that the crew had been spraying the bottoms of the ditches. He advised the Directors to take a look at these ditches. He stated that because of the mowing and spraying, the ditches look great.

Mr. Cravens advised the Board that the District owns an 11-year-old tractor and a lot of money has been spent on repairs. He stated that it might be advisable to replace it because there is money in the budget for it. He stated he would have estimates on tractors prepared for review at the next meeting.

8) Attorney's Report, including:

- a)** Review Public Information Act Requests and Status of Responses to Same
There was none to report for this past month.

Ms. Garza stated that she would be finalizing a memo on the most recent legislative session. She stated they would be emailed out the following week, and that she would be asking for an agenda item for the next meeting to discuss any questions. Ms. Garza explained some of the new laws that had changed, and offered an example regarding the bidding on equipment, and stated it would take effect after September 1, 2023.

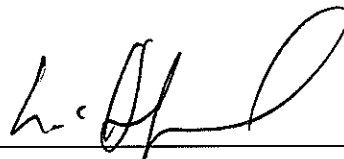
9) Directors' Reports

Neither Director Ellison Jr. nor Director Murphy had anything they wanted to discuss.

10) Adjournment

There being no further business the meeting was adjourned. The time was 4:50 p.m.

PASSED, APPROVED and ADOPTED this the 30th day of August 2023.



Director

