



GALVESTON COUNTY DRAINAGE DISTRICT NUMBER 2
MINUTES OF BOARD OF DIRECTORS
REGULAR MEETING
SEPTEMBER 14, 2023

The Board of Directors (the "Board") of GALVESTON COUNTY DRAINAGE DISTRICT NO. 2 (the "District") met in regular session, on the **14th of September, 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

Wayne Hobgood - Director
Jack Ellison Jr. - Director
Angel Murphy - Director

There being three 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; Ms. Candace Warren, Office Administrator/Records Management Officer for the District; Mr. Dean Oliver, Maintenance Operator for the District; and Detective Matthew Cypert. Mr. Stephen Wilcox, P.E., Engineer with Costello Engineering, was not present. A copy of the sign-in sheet is attached hereto, with one attendee, Mr. Georgios Ezanidis.

1) Call Meeting to Order

- a) Roll Call of the Board of Directors
Director Hobgood, 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 4:03 p.m. and declared it open for such business as may regularly come before it.
- b) Invocation (led by Director Hobgood, Chairman)
- 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) Old Business:

- a) Approval of July 13, 2023, and August 10, 2023 Meeting Minutes

Upon a motion made by Director Hobgood, after full discussion, and seconded by Director Ellison Jr., the July 13, 2023, Meeting Minutes was approved.
Concerning the August 10, 2023, Meeting Minutes, Director Ellison Jr. made a motion to approve, and it was seconded by Director Hobgood.

b) Pay Raises

Mr. Cravens asked the Board to come back to pay raises after the FYE 2024 Budget was approved in the Bookkeeper's section C.

c) Sweep Accounts

Mr. Cravens advised the Board that this is the third month of discussions regarding the Sweep Accounts. He stated that there is a steady trend of the annual percentage yield (APY)/interest going up. The APY now stands at 5.19%. Mr. Cravens recommended that the Board takes advantage of these Sweep Accounts. Director Hobgood made a motion to approve Sweep Accounts, and it was seconded by Director Ellison Jr.

4) New Business:

a) Resolution Declaring Development Status of District

M. Garza stated that this is in regard to how the tax rate is calculated. The developing status means that the District is still developing and financing at least 95% of the build out in the District. She recommended that we maintain this status, as we have done since 2019. Director Hobgood made a motion to approve the Developing Status for the District, and Director Ellison Jr. seconded the motion.

b) Public Hearing for 2023 Tax Rate

Director Hobgood stated that a Notice of Public Hearing on the 2023 Tax Rate had been separately posted. Ms. Garza stated that the Galveston County Tax Office published the Notice of Public Hearing on the 2023 Tax Rate. No members of the public offered comment on the proposed 2023 tax rate.

c) Adopt Order Setting Rate and Levying Tax for 2023

After full discussion and explanation regarding the Proposed Rate of \$0.044553 / \$100 assessed valuation, Director Hobgood made a motion to approve the Tax Rate, of \$0.044553 / \$100 assessed valuation, and Director Ellison Jr. seconded the motion.

d) Engage Auditor to prepare Fiscal Year Ended 9/30/2023 Audit.

Mr. Cravens advised the Board that he reached out to Whitley Penn, the District's previous Auditor, to see where the status was in obtaining an Engagement Letter. The auditor stated that he would have an Engagement Letter to us within the next week. The Board tabled this discussion until the Engagement Letter was ready.

e) Budget Amendments for 22/23 Year Ending

Mr. Cravens prepared five Budget Amendments for the Board to review. After review and discussion, the Board decided to table Fiscal Year 22/23 Budget Amendments. The recommendation by Director Hobgood was to table this discussion until a special meeting.

f) Tractor Quotes

Dean Oliver led a discussion on three tractor quotes. Director Ellison Jr. motioned, and Director Hobgood seconded to table this item until the special meeting where the FYE 2024 budget would be discussed.

5) Bookkeeper's Report, including:

a) Approval of Payments of Bills and Investments

Attached you will find the Bookkeeper's Report. The Board deferred action on this matter until later in the meeting.

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. The Board deferred action on this matter until later in the evening.

c) Adopt Fiscal Year Ending September 30, 2024 Budget.

Director Hobgood made a motion to table Adoption of the Fiscal Year Ending September 30, 2024 Budget. It was seconded by Director Ellison Jr. to table such item until the special meeting.

6) Engineer's Report, including:

a) 2023-002 Brookwater Ditch 6 Sect. 1

Mr. Cravens stated that Brookwater Ditch 6 Sect. 1 did not meet our requirements. Mr. Cravens recommended that the Board table this development. Director Hobgood made a motion to table. Director Murphy seconded the motion.

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

Mr. Cravens stated that Ditch 6 Lago Mar Phase 2- 24" Force Main did not meet our requirements. Mr. Cravens stated that we are waiting on site plans. He recommended that we table Lago Mar Phase 2. Director Hobgood made a motion to table. Director Murphy seconded the motion.

c) 2021-022 Ditch 12, 2324 Main Street

Mr. Cravens stated that they met all of the requirements. They will drain into TXDOT's system which eventually ties into the District. Mr. Cravens recommended that the Board approve the submitted plans for 2324 Main Street. Director Hobgood made a motion to approve, and Director Ellison Jr. seconded the motion.

d) 2023-019 Ditch 8 Salad N Go

Mr. Cravens stated that Salad N Go is actually in the parking lot of the old Dog Track arena. There will be no impact from development. This will drain directly into the Dog Track's detention pond that is already existing which eventually ties into our Ditch 8 system. Our Engineer as well as the Manager recommended approval. Director Hobgood made a motion to approve Salad N Go and Director Ellison Jr. seconded the motion.

e) 2021-020 Ditch 9 Trails at Woodhaven Lakes Phase 2 Mass Grading

Regarding Ditch 9 Trails at Woodhaven Lakes Phase 2, Mr. Cravens stated that we are waiting on them to revise their site plans and review. Mr. Cravens recommended that the Board table this development. Director Hobgood made a motion to table Trails at Woodhaven Lakes Phase 2 Mass Grading. Director Murphy seconded the motion.

f) 2023-21 Ditch 8 Raising Canes

Mr. Cravens stated that Raising Canes is also a development inside the former Dog Track parking lot. There is no impact from this development. This will drain directly into the Dog Track's detention pond that eventually ties into Ditch 8. The District Engineer recommended approval as well as Mr.

Cravens. Director Hobgood made a motion to approve Raising Canes, and Director Ellison Jr. seconded the motion.

7) Attorney's Report, including:

a) Final Memorandum regarding the 88th Legislative Session and the November 7, 2023 Constitutional Amendment Election Provisions

Ms. Garza wanted to see if the Board had any questions regarding the 88th Legislature Session Memo that she previously distributed via email. She pointed out key points like House Bill 2815 which states that if a director is issued a governmental email, their personal email is not subject to the Public Information Act.

She also explained that in House Bill 3507, the threshold for the requirement to solicit three competitive bids was raised from \$75,000 to \$150,000.

Senate Bill 1893 was mentioned as the "TikTok ban". She stated that we may have to eventually add language to our Personnel Policy to reflect the statute and that she would monitor the Department of Information Resources for the sample policy they were tasked with preparing. A copy of the memorandum is attached hereto.

b) Amended and Restated Investment Policy

Ms. Garza reviewed changes to the Investment Policy based on changes to the Public Funds Investment Act from the 88th Legislative Session. After discussion and review, Director Hobgood made a motion to approve the Amended and Restated Investment Policy. Director Murphy seconded the motion.

8) District Manager's Reports:

a) District property, facilities, infrastructures, vehicles, equipment, projects, development, compliance, reporting, and personnel matters.

Mr. Cravens stated that on the maintenance side, the guys sprayed Ditch 8, 9B, 9F, Junemann Bayou, Ditch 12 and the Lee Edition. The guys mowed the pump station ditches, Attwater, 6A and 6B. On the operating side, the guys dipped out Junemann Bayou, and also Ditch 6B. Mr. Cravens advised the Board that we are looking to get necessary easements. He also advised that the Ditch 7 survey is underway.

9) Director's Report:

Director Murphy expressed concern about Ditch 12 and 13. Director Hobgood stated that the employees are doing a good job. He also had questions about the ADP invoice.

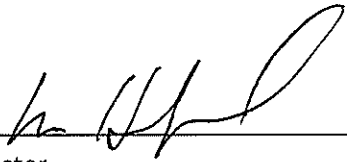
5) Bookkeeper's Report, continued

Director Hobgood raised various questions on the invoice for IT services and District emails as well as the invoice for security video monitoring. A motion was made by Director Hobgood and was seconded by Director Murphy to approve the Payments of Bills and Investments and the transfer of \$100,000 from the District's Money Market Account to the District's General Operating Fund.

10) Adjournment

There being no further business the meeting was adjourned. The time was 5:29 p.m.

PASSED, APPROVED and ADOPTED this on the 12th day of October 2023.



Director

