

Galveston County Drainage District No. 2

Board of Directors

Regular Meeting Minutes

March 25, 2024



The Board of Directors (the “Board” or “Directors”) of **Galveston County Drainage District No. 2** (the “District”) met in regular session on the 25th day of March 2024 at 4:00 p.m. in the meeting room of the District at 5000 F.M. 1765, La Marque, TX, 77568, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code, whereupon the roll was called of the members of the Board, to-wit:

Wayne Hobgood	Chairman / Director
Jack Ellison Jr.	Vice Chairman / Director
Angel Murphy	Secretary / Director

There being all members of the Board present, thus constituting a quorum.

Attendees were Mr. Landry Cravens (“District Manager”), Ms. Candace Warren, Records Management Officer / Office Administrator for the District, Ms. Monica A. Garza, Attorney with Polley Garza PLLC, Ms. Christian Carner with Gulf Coast Bookkeeping Inc., Mr. Daniel R. Hernandez, CPA, CIA, Senior Manager with Whitley Penn, Mr. Dean Oliver, Operator for the District, and Detective Matthew Cypert. Mr. Steven Wilcox, P.E., CFM with Pape-Dawson Engineers, was not in attendance.

1. Call Meeting to Order

Director Hobgood, after finding that notice of the meeting was posted as required by law and finding that a quorum of the Board was present, called the meeting to order at 4:00 p.m. and declared it open for such business as may regularly come before it.

2. Public Comments

There being no public comments, the Board proceeded with the agenda.

3. Old Business:

a) Approval of Regular Meeting Minutes from February 8, 2024

Director Murphy found several mistakes in the minutes and asked the Board to table. She stated she

would advise Mr. Cravens on these corrections. It was agreed upon by the Board to table the minutes from February 8, 2024.

4. **New Business**

a) *Review, discussion, and approval of the Whitley Penn Audit for Fiscal Year Ended September 30, 2023.*

Mr. Hernandez, of Whitley Penn, presented his findings and analysis of the District's financial audit and stated that he had given the District an unmodified clean opinion. A copy of the Fiscal Year Ended September 30, 2023 Audit is attached hereto. The Board voted unanimously to approve the Fiscal Year Ended September 30, 2023 Audit.

b) *Presentation of Quarterly Report for Texas Class and Sweep Accounts*

Director Murphy presented the following quarterly investment reports for the District's Texas Class investment accounts: April 2023 – June 2023, June 2023 – September 2023, September 2023 – December 2023 and December 2023 – March 2024. After further review and extended discussions, the Board decided to table the approval of the quarterly investment reports until various items could be updated in such reports.

5. **Bookkeeper's Report**

a) *Approval from the Board of Payments of Bills, Issuance of Checks, and Review of Investments.*

Ms. Carner gave the monthly report. The bills were presented to the Board, approved by Director Hobgood, and seconded by Director Murphy.

b) *Approval from the Board of Money Market Transfer.*

Ms. Carner stated that she would be transferring \$130,000.00 from the Money Market account to cover bills. A motion was made by Director Hobgood and seconded by Director Murphy to approve the transfer of \$130,000.00 from the Money Market account into the General Operating account.

c) *FYE September 30, 2024, Budget, and Amendment to same, if necessary.*

Mr. Cravens advised the Board that our budgetary item Tax Collection Fees (G/L 9220), needed to be changed from \$4000.00 to \$5000.00, based on notice from the Galveston County tax office because of the District's increasing parcel counts and our upcoming ad billing during the TNT (Truth in Taxation) process. Director Hobgood made a motion to approve the increase of Tax Collection Fees (G/L 9220) from \$4000.00 to \$5000.00 and Director Murphy seconded the motion.

d) *Discussion Regarding the District Consortium Card.*

After a long discussion regarding the District's Consortium Card, with all Board members, the District's Manager, the District's attorney, and the bookkeeper involved, the Board decided to table the Discussion Regarding the District Consortium Card. The Board directed Mr. Cravens and Ms. Carner to meet with Amegy Bank to discuss options for the Consortium Card prior to the April Board meeting. Mr. Cravens, Ms. Carner, and Director Murphy to attend meeting.

6. **Engineer's Report**

a) *2023-008 Ditch 9 Park Vista*

Mr. Cravens stated that Park Vista met all requirements necessary for approval. He advised the Board that

our engineer recommended approval and Mr. Cravens did as well. Director Hobgood motioned to approve the development of 2023-008 Park Vista, and Director Ellison Jr. seconded the motion.

7. District Manager's Report

District Manager Landry Cravens started his presentation by stating that the maintenance crew sprayed Ditch 10A and Ditch 10B. There was tree trimming that took place on Ditch 13C. On the operating side, as of March 7, 2024, the last boom was to be removed from Ditch 6 so excavating can take place now. The operating crew began digging.

Mr. Cravens advised the Board that all employee payroll and Directors' fees of offices and expense reimbursements are paid through the District office. That being so, he stated that because the District must keep such records in the office, all Board members need to turn in their monthly reports to the office and copy the bookkeeper.

8. Attorney' Report

a) *Authorize Director Attendance at Public Funds Investment Act (PFIA) Training*

Ms. Garza stated that Director Murphy would need to attend PFIA training because she is the designated Investment Officer of the District. Director Murphy advised the Board that she wanted to attend the Texas Class PFIA Training to be held in Fort Worth, Texas on May 15, 2024. After a lengthy discussion between the Board members, it was decided to table approval of Director Murphy's attendance at Public Funds Investment Act Training.

b) *Order Adopting Credit Card and Purchasing Policy*

Ms. Garza gave the Board a copy of the Order Adopting Credit Card and Purchasing Policy and asked the Board to review this policy in preparation for approving this order at the next meeting.

c) *Real Estate Items, including the following:*

- i. *Right-of-way and Acquisition Services Proposal from Property Acquisition Services (PAS, LLC)*
- ii. *Acceptance or Conveyance of Drainage Dedications, Easements, Deeds or Consents to Encroachment*

Ms. Garza stated that the Board already approved the Right-of-way and Acquisition Services Proposal from Property Acquisition Services (PAS, LLC). A copy of this proposal was given to the Board members. She stated that PAS would be consulted on an as-needed basis at the rates described in the proposal.

Ms. Garza advised the Board to leave the following statement, "Acceptance or Conveyance of Drainage Dedications, Easements, Deeds or Consents to Encroachment," on all future agendas, *anticipating* that other properties will be purchased.

Ms. Garza stated PAS has negotiated with the owners of a 0.225-acre tract of land in the Cook & Stewart subdivision of La Marque. Ms. Garza stated she has reviewed the warranty deed prepared by PAS and stated the owners have already signed the warranty deed. She requested approval of the warranty deed so that it could be finalized and signed and the Board's approval of payment in the amount of \$5,000 for purchase of the property.

Director Hobgood then motioned to approve payment of the \$5,000.00 and approval and execution of the warranty deed, and Director Ellison Jr. seconded the motion.

9. **Director's Report**

Director Ellison Jr. asked if he and Mr. Cravens could tour the Ditch 5B system. Mr. Cravens agreed to do so. Director Ellison Jr. inquired about the swing gates along Ditch 5. Mr. Oliver advised Director Ellison Jr. that the owners put things on hold until they got back with the District. Director Hobgood inquired about a gate in the middle of Ditch 3. Mr. Cravens stated that Dean and himself talked to the City of Dickinson about this and they are supposed to reach out to the landowner. After a brief discussion, the decision was made that there was a need to do more research on the rights of the District on this matter.

10. **Executive Session**

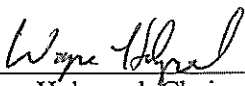
The Board of Directors and District Manager entered into executive session under the Open Meetings Act, Chapter 551 of the Texas Government Code, under Section 551.071 (Consultation with Attorney) and 551.074 (Personnel Matters) to discuss personnel matters.

- i. The Board went into the executive session at 6:17 p.m. The persons present in executive session were Directors Hobgood, Ellison Jr., and Murphy; Mr. Cravens; and Ms. Garza.
- ii. The Board returned from the executive session at 6:28 p.m.

11. **Adjournment**

There being no further business, the Regular meeting was adjourned. The time was 6:29 p.m.

PASSED, APPROVED, and ADOPTED this the 11th day of April 2024.



Wayne Hobgood, Chairman / Director

