

Galveston County Drainage District # 2



- Wayne Hobgood Chairman / Director
- Angel Murphy Secretary / Director

REGULAR MEETING MINUTES

of the Board of Directors

June 13, 2024

The Board of Directors (the "Board" or "Directors") of Galveston County Drainage District # 2 (the "District") met in regular session on the 13th day of June, 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:

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

In attendance were:

Mr. Landry Cravens, District Manager
Ms. Candace Warren, Records Management Officer / Office Administrator for the District
Mr. Steven Wilcox, P.E., CFM of Pape-Dawson Engineers
Mr. Dean Oliver, Operator for the District
Detective Matthew Cypert
Ms. Claudia Redden, Gulf Coast Bookkeeping.
Mr. Thomas Owens, Owens 5 Installs LLC.

1. **Call Meeting to Order**

After finding that notice of the meeting was posted as required by law, Director Hobgood determined that a quorum of the Board was present, calling the meeting to order at 4:00 p.m., and declaring 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:**

There being no old business to discuss, the Board proceeded to the next topic on the agenda.

4. **New Business:**

a. *Approval of the Regular Meeting Minutes from May 9, 2024.*

Director Hobgood motioned to approve the minutes, with Director Murphy seconding the motion for

the approval of the Regular Meeting Minutes from May 9, 2024.

5. **Bookkeepers' Report**

a. *Presentation and Approval of Bookkeeper Report.*

Ms. Redden gave the monthly report. The bills were presented and Director Hobgood motioned to approve the bills as submitted, which was seconded by Director Murphy.

b. *Discussion and Approval of ACH Report, Credit Card Reports, Purchases, Payroll Report, and Directors' Fees of Office*

Ms. Redden explained in detail the Bookkeepers' report, where the breakdown of the various reports, number of deposits, amount of ACH withdrawals, transfer activity, and checks written were discussed. A copy of the Bookkeeper's report for June is attached hereto.

c. *Discussion and Approval of Money Market Transfer to General Operating Fund, Sweep Account to Texas Class, and Closer of Sweep Account.*

Director Hobgood opted to return to this topic later in the meeting and to continue reviewing the checks and invoices that had been provided for review. No motion was made to approve anything at this time.

d. *Discussion of Positive Pay*

Ms. Redden stated she had asked Ms. Christian Carner, bookkeeper for Gulf Coast Bookkeeping, whether the Districts' accounts had Positive Pay, and added that this was a subject discussed in the recent PFIA seminar. She added that in her experience with her water district clients, if a fraudulent check comes into the account, or when ACH transactions come in, a certain amount of time is granted to call the bank to let them know the transactions are wrong. She added that Ms. Carner was in touch with the bank agent concerning the transactions of the District. Director Hobgood stated that any decisions and discussions would need approval by all members of the Board.

6. **Engineers' Report**

a. *2024-009 Ditch 7 – Willowood Subdivision DIA*

Mr. Wilcox stated that Willowood Subdivision DIA exceeded all of the Districts' requirements necessary for approval. He recommended the approval of the Willowood Subdivision DIA, and Mr. Cravens agreed as well. Director Hobgood made a motion to approve Willowood Subdivision DIA, and Director Murphy seconded it.

b. *2024-011 Ditch 1 – Gas Station and C Store @ 5304 Hwy. 3, Dickinson, TX*

Mr. Wilcox stated that the Gas Station and C Store @ 5304 Hwy. 3, Dickinson, TX met all requirements necessary for approval. He recommended the approval of the project, and Mr. Cravens agreed that it should be approved. A motion was made to approve the Gas Station and C Store @ 5304 Hwy. 3, Dickinson, TX, which Director Murphy seconded.

Mr. Wilcox outlined the Master Drainage Plan for Ditch 12, 13, 15 and 16. He presented the Board with a draft copy of the Master Drainage Plan, and if anyone would like to view the book that Mr. Wilcox provided, it will be here at the District office.

7. **District Managers' Report**

District property, facilities, infrastructures, vehicles, equipment, projects, developments, compliance, reporting, and personnel matters.

Mr. Cravens stated on the maintenance side that the ditches mowed were Ditch 13B, 13C, 13E,

15A, 14C, Ditch 5A, and 5B, and Ditch 7A. On the operating side, the operators were continuing with the excavation on Ditch 6. He stated that this month has been rain-filled, but a lot of work was done. The guys had to clear debris, which was a tree from Ditch 1, and also cleared a trampoline from Ditch 9.

Mr. Cravens added that it is time once again for the Truth in Taxation, and Ms. Cheryl Johnson, of the Galveston County Tax Assessor office sent the District the Information Worksheet for the Tax Rate. Correspondence from the Galveston County Tax Office was sent to Director Hobgood and Director Ellison Jr. notifying them of the need to complete the document. Ms. Warren will be completing the Information Worksheet for the Tax Rate for the District since the deadline to submit the form is July 8, 2024.

5. Continuation of Section 5 Bookkeepers' Report Discussion

Director Murphy stated that Owens 5 Installs' invoice would not be paid, based on needing a further explanation of the services provided. The invoice stated work was completed as warranty work, and she requested additional information to be added to the invoice.

Mr. Cravens expressed his concern and requested that all copies and receipts be given to the District office regarding Directors' Fees of Office, for transparency. He requested that Director Murphy provide a copy of the receipts from the recent seminar she attended for the PFI class taken on May 15, 2024, in Fort Worth. The District office did not receive a copy of those receipts.

Director Hobgood stated to Ms. Redden that Ms. Carner would not receive her check nor would it be signed until he spoke with her.

Director Hobgood also stated that he would like a full Board to be present before a decision is made on the sweep account transfer to Texas Class and then closer of sweep accounts. As far as the transfer of \$100,000.00 from the Money Market account to the General Operating Fund account, Director Hobgood stated that was acceptable to be able to pay the District employees. Director Hobgood then made a motion to approve, and Director Murphy seconded the motion to approve the transfer of \$100,000.00 from the Money Market account to the General Operating Fund.

8. Attorney's Report

a. Acceptance or Conveyance of Drainage Dedications, Easements, Deeds, or Consents to Encroachment (PAS, LLC)

Mr. Cravens stated that he spoke with Mr. Mark Ciavaglia, Attorney with Linebarger, Goggan, Blair & Sampson, LLP who is heading up the Sheriff's sale, and he has agreed to put the property on hold for the District, and that he will wait for Mr. Steve Bonjonia with PAS, LLC to get back with him on this.

b. Annual Performance Evaluation of District Manager - tabled.

Director Hobgood stated that without the attorney present, he would table b, c, and d until a full Board is present.

c. Review and Discussion of Agreement with Owens 5 Install - tabled.

d. Resolution Amending Director Fees of Office and District Reimbursement Policy - tabled.

9. Director's Report

Director Hobgood stated that a contract for Owens 5 Installs, and the check that was owed to Mr. Owens for service should be tabled until there is a full Board present.

Director Murphy stated that Ditch 11 has an issue, and the water is standing. Mr. Wilcox said that he would check out the area where there appeared to be an issue.

Director Hobgood inquired about the pictures of the ditches being uploaded to the District's website, and Ms. Warren stated that they would be on the website by June 17, 2024.

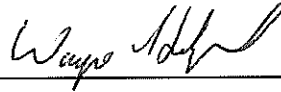
10. **Executive Session**

There was no executive session held.

11. **Adjournment**

There being no further business the meeting was adjourned. The time was 5:30 p.m.

PASSED, APPROVED, and ADOPTED this the 25th day of June 2024.



Director

