



Galveston County Drainage District # 2

SPECIAL MEETING MINUTES

of the Board of Directors

August 29, 2024

The **Galveston County Drainage District # 2** (the "District") Board of Directors (the "Board" or "Directors") met in regular session at 4:00 p.m. on the 29th day of August 2024 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
Jack Ellison Jr.	Vice Chairman
Angel Murphy	Secretary

There being three 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, Ms. Christian Carner, Bookkeeper of Gulf Coast Bookkeeping, and Mr. Dean Oliver, Operator for the District.

Mr. Thomas Owens, of Owens 5 Installs LLC, was present. Mr. Josh Rambo, of the auditing firm McCall, Gibson, Swedlund, and Barfoot was present.

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:

None.

5. Attorney's Report:

c. Review and discuss Fiscal Year Ending September 30, 2025, Budget

Director Hobgood started the meeting with this agenda item. Mr. Cravens began by stating that traditionally, the Manager would ask for a cost of living raise for the employees of 5%, which would bring the Manager's salary from \$101,000 to \$105,000, the Operating salary from \$185,000 to \$195,000, the Maintenance salary would go from \$138,000 to \$145,000, and the Office Administrator would go from \$57,750 to \$60,750.00. There were discussions between Mr. Cravens, Ms. Carner, and all Directors regarding the current and proposed budget. A copy of the Proposed Budget FYE 9/30/2024 Budget is attached hereto. Director Murphy wanted to go with the 8/8/2025 Proposed Budget Column. Director Murphy stated that the Board could come back with amendments regarding employees' salaries at a later date. Director Hobgood

made a motion to approve the Proposed 2025 Budget, located on the right side of the Proposed Budget FYE 9/30/2024 Budget. Director Ellison Jr. seconded the motion with Director Murphy opposing.

3. **Old Business:**

a. *Approval of June 13 and July 18, 2024, Regular Meeting Minutes*

After a lengthy discussion on the minutes that had not been approved twice before, Director Hobgood motioned to approve the minutes for June 13 and July 18, 2024. Director Ellison Jr. provided a second motion to approve the Regular Meeting Minutes from both months. Director Murphy opposed the motion.

b. *Authorize District Manager Attendance for Public Funds Investment Act Training*

Mr. Cravens explained to the Board that there was a need for him to re-take the course for the Public Funds Act Training since his current certification would expire in October 2024. Director Hobgood stated that this was in the best interest of the District and made a motion to approve the District Manager's Attendance for Public Funds Investment Act Training. Director Ellison Jr. provided the seconded motion. Director Murphy opposed the motion.

c. *Discussion and Payment of Owens 5 Installs and Approval of New Contract*

Director Murphy spoke to Mr. Owens about the contract and his invoice, stating that there were existing issues with both. After a detailed discussion with Mr. Owens, Director Hobgood, citing that Mr. Owens had not received payment since May 2024, was due the money owed him for his services. Director Hobgood motioned to approve this item, and Director Ellison Jr. seconded the motion regarding the Payment of Owens 5 Installs. After discussing the second item, a motion was made to table the Approval of the New Contract for Owens 5 Installs until the next meeting. Director Murphy opposed the motion.
Ms. Carner left the meeting at 4:40 pm.

4. **New Business:**

a. *Approval of August 8, 2024, Regular Meeting Minutes*

Director Murphy stated that the minutes were incorrect, and because of that, she would not vote for approval of the minutes. When Director Hobgood asked why she felt there were corrections to be made, Director Murphy said the minutes did not reflect everything she had discussed. Mr. Cravens advised that every item and discussion that had taken place in the meeting was recorded and transcribed. Director Hobgood motioned to table the August 8, 2024, Regular Meeting Minutes

b. *Review Statement of Qualifications for Auditing Services, conduct interviews regarding same and approve Engagement Letter with Auditing Firm, as necessary.*

Mr. Rambo, representing McCall, Gibson, Swedlund, and Barfoot, gave a presentation on his audit services. After a lengthy discussion with questions asked, Director Murphy made a motion to approve the services of McCall, Gibson, Swedlund, and Barfoot. Director Hobgood seconded this motion.

5. **Attorney's Report: (continued)**

a. *Real Estate Items, including the following:*

i. Acceptance or Conveyance of Drainage Dedications, Easements, Deeds, or Consents to Encroachments prepared by PAS, LLC

Mr. Cravens presented the Board with a Warranty Deed and a Side Letter for the Ms. Walker tract. Mrs. Walker owns a small portion of Ditch 13C. He added that she is willing to give the District the amount of land encompassing the District's ditch as long as the District is willing to provide a 7-foot chain link fence. A copy of the Side Letter and the Warranty Deed can be provided upon request. Mr. Cravens advised that the Board was presented with three bid submissions for erecting the fence. The Board

decided to go with the least expensive bid. Copies of the three bids are attached hereto. After a brief discussion, Director Hobgood motioned to approve the Side Letter and Warranty Deed for the Walker tract. Director Ellison Jr. seconded the motion.

ii. Aerial and Distribution Easement with Texas New Mexico Power

Mr. Cravens stated that both the land easement and the aerial easement for the Texas New Mexico Power Company was a collaboration between the District's office, Mr. Wilcox, the District's engineer, and our attorney. TNMP is seeking an easement along the District's Ditch 8 system. Mr. Cravens advised the Board that he made sure that TNMP would not infringe on the area that the District maintains, on both the aerial and land easement. Mr. Cravens recommended approval of this easement. Director Hobgood motioned to approve the Aerial and Distribution Easement with TNMP, and Director Ellison Jr. seconded the motion.

b. Letter Agreement for Removal of Tree at 1801 Oak Street

Mr. Cravens stated that after the storm, the District received a call from Mr. Winston. He stated that a tree was down in the District's ditch. Mr. Cravens went to Mr. Winston's house and noticed that a tree was down, but the tree fell onto Mr. Winston's property. The base of the tree is located on the top of the slope, but the tree fell into his yard, severely damaging his wood fence. Mr. Cravens told Mr. Winston that he would get permission from the landowner across the ditch to remove the tree. Mr. Winston stated that the tree is in the District's ditch and that the District should be responsible for removal. Mr. Cravens advised Mr. Winston that the District does not own that ditch. The District has maintained it but does not own it. Mr. Cravens had the District's attorney draw up a Letter Agreement to protect the District from liability. After a brief discussion, the Board decided to table the Letter Agreement for removing the tree at 1801 Oak Street because the Board viewed this tree was not the responsibility of the District.

Adjournment

There being no further business the meeting was adjourned. The time was 5:17 p.m.

PASSED, APPROVED, and ADOPTED this the 9th day of September 2024.



Director

