

Galveston County Drainage District No. 2

Regular Meeting Minutes

Board of Directors

April 11, 2024



The Board of Directors (the "Board" or "Directors") of **Galveston County Drainage District No. 2** (the "District") held a regular meeting on the 11th day of April 2024, at 4:06 p.m. in the District meeting room, located 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:

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|---------------------------|---------------------------------|
| • <i>Wayne Hobgood</i> | <i>Chairman / Director</i> |
| • <i>Jack Ellison Jr.</i> | <i>Vice Chairman / Director</i> |
| • <i>Angel Murphy</i> | <i>Secretary / Director</i> |

There being all 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. Monica A. Garza, Attorney with Polley Garza PLLC, Ms. Christian Carner, Bookkeeper with Gulf Coast Bookkeeping Inc., Mr. Dean Oliver, Operator for the District, and Detective Matthew Cypert.

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 4:06 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, upon finding several mistakes in the minutes, made additions to the minutes. The minutes with additions by Director Murphy were sent to Ms. Warren, who was not present earlier in the week. Mr. Cravens was not able to review the additions Director Murphy made until Ms. Warren could provide the minutes to him once she returned to work, and therefore, Director Ellison Jr. and Director Hobgood did not have a chance to review the minutes before the April 11, 2024, meeting. It was agreed upon by the Board to table the minutes from February 8, 2024.

- b) Approval of Regular Meeting Minutes from March 25, 2024 Director Murphy added another addition to the minutes of March 25, 2024, and Mr. Cravens had a question about the addition that was made. Director Ellison Jr. stated that Mr. Cravens was inquiring to get the notes correct. Director Hobgood made a motion to approve the minutes from March 25, 2024, with the addition from Director Murphy. Director Ellison Jr. seconded the motion, and the motion passed unanimously.
- c) Presentation of Quarterly Investment Report Ms. Carner presented the April 2023 through June 2023 quarterly investment report. Ms. Carner stated that because she did not have access to the District's sweep accounts, she could not ensure the accuracy of the remaining quarterly investment reports. It was decided to table the remaining three quarterly investment reports. Director Hobgood made a motion, with Director Murphy seconding to approve the April 2023 through June 2023 quarterly investment report presented.
- d) Authorize Director Attendance at Public Funds Investment Act (PFIA) Training Director Hobgood stated that the Board could wait to see when the online classes would be held for attendance by Director Murphy and Mr. Cravens, and that he saw no reason to add an expense of driving to Fort Worth to take the course. Ms. Garza stated that the live class she provided information on is always held in October, but a date has not been set yet. Director Hobgood and Director Ellison Jr. stated that this discussion can be tabled until next month. No motion was made on the discussion.
- e) 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, Director Hobgood made a motion to approve the use of the consortium card, with Director Ellison Jr. seconding the motion. Director Murphy opposed the motion.
- f) Order Adopting Credit Card and Purchasing Policy Mr. Cravens stated that he had read the policy, and therefore recommended approval. Director Ellison Jr. made a motion to approve the policy and the motion was seconded by Director Hobgood. Director Murphy opposed the approval of the policy.

4. New Business:

- a) Evaluation review of all employees and projected budget expenses for staffing Mr. Cravens stated that this was originally to be an evaluation of the District Manager by the District's Board. Director Hobgood stated that the review of the District Manager should be the Board's responsibility and the review of all other District employees is the District Manager's responsibility. Ms. Garza recommended the annual performance review of Mr. Cravens be done in executive session unless Mr. Cravens consents to such review in open session. Ms. Garza asked if the Board would like to complete an evaluation form prior to such review. Director Hobgood stated that a form would be fine and that Ms. Garza could provide the form. Director Murphy stated that she would like to discuss the budget line item and any amendments to the budget for staffing needs. Director Hobgood made a motion to authorize Ms. Garza to prepare and distribute an evaluation form for the review of Mr. Cravens. Director Ellison Jr. seconded this motion.

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. A motion to approve transferring funds to the

District's Texas Class accounts from the General Operating Ditch accounts 6, 8, and 9 was approved by Director Hobgood and Director Ellison Jr.

- b) *Approval from the Board of Money Market Transfer* Ms. Carner stated that she would be transferring \$100,000.00 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 \$100,000.00 from the Money Market account into the General Operating account.

6. Engineer's Report

No items to report.

7. Attorney's Report

Mr. Cravens started the discussion by stating there was a need to get ready for the upcoming sheriff's sale of a piece of property the District needs for maintenance of certain ditches, and that he had spoken to a County representative and was now registered. He explained that to bid, 5% is required to bid on the maximum. He added that we have time to read over the literature before the sale. Director Ellison Jr. asked if we could utilize PAS Group to determine an appraisal of the land and recommendation to the District of what to bid, and Mr. Oliver stated they could provide an appraisal. Ms. Garza stated further discussion should take place in an executive session, so any data on the value of the real property and amount the District will bid is not disclosed to other bidders.

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

- i. *Acceptance or Conveyance of Drainage Dedications, Easements, Deeds, or Consents to Encroachment (PAS, LLC)* Ms. Garza stated she had nothing to add to this item at this time.
- ii. *Amended and Restated Investment Policy and Authorized Broker List* Ms. Garza stated that the changes throughout the investment policy are not substantive, rather, it clarifies that investment reports can be done more frequently than quarterly. Ms. Garza explained that the Public Funds Investment Act requires that you have them done at least quarterly. If they can be done monthly, they will be, she added. The authorized broker list that has been provided is an updated list of the banks and institutions Ms. Carner uses. Director Ellison Jr. made a motion to approve the Amended and Restated Investment Policy and Authorized Broker List, and Director Hobgood seconded the motion, which passed unanimously.

8. District Manager's Report

District Manager Landry Cravens started his presentation by stating that the maintenance crew mowed in town on Ditches 12, 13B, and Ditch 13E. There was also mowing done behind the Walmart ditch. Ditches 8A1 and 8A2 were mowed. In Dickinson, Ditch 2 and Ditch 3 were mowed. On the operating side, excavating has continued to be done on Ditch 6.

Mr. Cravens stated that he wanted to correct a statement about the status of the last boom that was to be removed from Ditch 6. He stated he was notified via email that the City of Texas City was asking about approval to remove the boom, and Mr. Cravens gave the District's recommendation, as did the EPA and the Railroad Commission, to agree to move the boom. The only hold-up was the Texas Parks and Wildlife. The contact from the City stated they would go ahead and remove the boom based on all other recommendations.

Mr. Cravens spoke to Director Ellison Jr. about the status of the swing gates that was addressed at the last meeting, and after speaking with the City, he was reassured that if something happens, the City will be responsible for removing those swing gates.

The last point Mr. Cravens addressed was the difficulty in getting TxDOT to respond to any emails about Earnest Solomon Bayou, and Director Ellison Jr. asked Mr. Cravens to remind him to contact someone there.

Director Ellison Jr. stated that with an active hurricane season approaching this year, Mr. Cravens should reach out to get information and that it would be nice to have representation from the District at some of the cities that will be conducting town hall meetings on the subject. Director Murphy asked if there are any plans available for the gas station that is being constructed at Hwy. 3 and Mr. Cravens said it has completely stopped at this point.

9. Director's Report

Director Ellison Jr. wanted to know if we had any knowledge of the Ditch 12A at I-45 and inquired about that Ditch holding water all the time. Director Ellison Jr. asked the District, either Mr. Cravens or Mr. Oliver, to reach out to TxDOT to get information about this.

Director Murphy asked about Ditch 13A, stating that two culverts are filled, to which Mr. Oliver stated the Ditch belongs to TxDOT. She stated that Ditch 14A was 75% full. This Ditch, which is located at F.M. 1765, near Airgas, does not belong to the District, Mr. Oliver stated. He added that the culvert does not belong to the District, but it is TxDOT's.

Director Hobgood stated that the District should reach out to Mr. Wilcox to follow up on the studies he has been working on to get a status update.

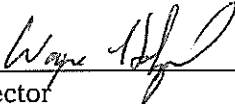
10. Executive Session

No executive session was scheduled for this date.

11. Adjournment

There being no further business, the Regular meeting was adjourned. The time was 5:10 p.m.

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



Director

