

**MEETING MINUTES**  
**Board of Directors**  
**TREASURE ISLAND MUNICIPAL UTILITY DISTRICT**  
**(TIMUD)**

Date of Meeting: April 17, 2025

Time of Meeting: 6:00 p.m.

Board Members Present: Rick Lawler (RL), President; Bryce Langley (BL), Vice-President; Richard Roe (RR), Treasurer, Roy Scott (RS), Director

A quorum was established.

1. The meeting was convened at 6:00 p.m.
2. We had 8 people in attendance with introductions.
3. RS identified that the sand piled up at the end of Buccaneer should not be there. We will be removing the sand and replacing it with a temporary barricade. He will be submitting the plan for temporary barricade to GLO for approval. We are having the same issue on the other side of Gulf Beach and will be going through the same process for blocking beach access from vehicles along with temporary drainage issues. All will be submitted for temporary measures to GLO. RL stated that at the end of the road, the property owner has received approval for crushed rock (which in the past was not approved) and the fill, permits and drawings will all be sent to TIMUD for approval due to the fact that it will be tied into the road design. RL also stated that due to the fact that the bridge is up for replacement (deemed unsafe by TXDOT) there is \$80 million that has been structured between both Brazoria and Galveston County. The tolls have been dropped. RS stated that we need to be vigilant during this process and request the sand that will be displaced during the process be given to TIMUD for beach renourishment.
4. Jim Weathers was absent. BL stated that there are no significant updates at this time from the Civic Association. We have ordered the replacement glass for the Community Building front door and it will be replaced soon.
5. RL gave MOC update. We just went through a TCEQ inspection and received a couple of potential violations/issues. These were not significant and have been addressed and corrected. We had a tank that was outside in the elements, and it has been deemed that it needed to be inside out of the elements. We also have a violation that has been going on for a couple of years. We currently have a beneficial contract

with the City of Galveston for our water, meaning that we currently have no escalating rate. It is basically a take contract. TCEQ would like us to have an order rate similar to what we have in our community and all MUDs which is that we charge a rate for certain amount of usage and if you go over that usage, we charge this amount. We have no intent on rushing into this, due to the fact that it will not be in our favor. This was brought up a couple of years ago at our last inspection. I will be submitting rate orders from the City of Galveston's commercial side which does show an escalating rate. We just happen to have a contract that does not, which is to our benefit.

6. RR made a motion to approve the previous meeting minutes. BL seconded the motion. Motion passed.
7. Volunteerism opportunities – Mike Elam will be joining the Board and will be sworn in at our May meeting.
8. Board Officer Reports

BL stated that MOC is currently training Terry and myself on performing the blow offs that are required. This will require Silvino to visit less often and we will hopefully see a difference in bill. Water plant is in good shape. Terry's focus lately has been on the drainage issue at the end of Buccaneer. He has robusted the drainage issue along Palm and also along the north side of San Luis by the dumpsters. These are temporary measures and we know that with our next storm surge they will be full of sand but we will continue to fight the fight. I am requesting a small amount of money from RR to maintain the equipment and replace the bucket on the front end loader. This will be approximately \$1500. Mowers are in good shape. Building and Grounds are in pretty good shape. We do have some pot holes in the roads here and there which we are hoping FEMA will rectify. We are changing Terry's pay from hourly to salary. The same hourly rate determines his pay, but less hourly tracking weekly which is cumbersome. Terry works hard and puts plenty of time in to his position with TIMUD. RL stated that TCEQ inspectors couldn't believe that they were in the same place during their inspection. They were very impressed with the strides taken on the care of the facility and it was a direct reflection on our inspection.

RR reported that as of the end of last month, we have spent approximately \$16,000 more than we have produced this year. Remember the original budget showed that we would be -\$200,000. The year before when other Board was in place they spent \$183,000 more. As of now, we should end our fiscal year at about -\$50,000. I believe this is a significant stride on all efforts. We still have outstanding funds from FEMA and Hurricane Beryl that would have made a difference in our deficit. I have started drawing up the budget for 2025-26 due to the fact that I am resigning as the Treasurer on May 8th. What I have structured so far shows that we should be approximately \$180,000 in the plus. This does include us receiving the FEMA funding. This does not include the expenses for the \$100,000 CEPRA fund, which we do not believe will occur during 2025-26. No disaster expenses, no major capital



expenditures, no beach erosion, no roads. I am requesting information from all other Board members to send me any and all items that they believe need to be included in the 2025-26 Budget. So currently it does show that we will be \$108,000 in the plus, but don't forget that last year we withdrew \$100,000 from a CD in our Reserve Funds. Storms can have a significant impact on budgets. Currently we have \$775,770 in funds including CDs. \$100,000 is currently in a CD that matures February 29, 2026. \$659,000 currently resides in our IntraFi account. IntraFi basically takes the funds and invests with the highest interest rate at various banks. We are currently sitting at 4% interest on the \$659,000. My concern is that interest rate could erode. I am requesting the authorization to take \$100,000 and invest in a CD at a fixed rate between 4% and 4.5% interest. The shortest-term CD that they offer is essentially one year. In the event we needed the funds before maturity, we would take a penalty of 6 months interest. We currently have one \$100,000 CD with the remainder in our bank account. Our Operating account that is earning about 1.5% and we transfer funds from the IntraFi account to the Operating account on an as needed basis. In addition, I gave you the adjusted budget based on now. When our audit comes around they will ding us if our budget is not close to what the actual is, so therefore I am adjusting the budget based on the current knowledge. I have not included April. I am also asking authorization to seek quotes from other audit firms not to exceed \$20,000. Our current Auditor was \$19,000 last year. This year \$20,000. TCEQ requires that we be audited. RS requested that \$100,000 be designated back to the CEPRA fund line item. If we have a major storm and need the funds undesignated it will require an emergency board meeting.

RS made a motion to assign \$100,000 to CEPRA line item for the 2025-26 Budget. BL seconded the motion. Motion passed.

BL made a motion to authorize RR to pursue a new Auditor not to exceed \$20,000. RS seconded. Motion passed.

RS made a motion to approve the modified 2024-25 Budget. BL seconded. Motion passed.

RR provided a summary of the bills incurred this month. No need for future motions on all recurring monthly bills.

RL provided a FEMA update. We are going through a change in staffing again and hope to keep our current PDMG through the end of the year. We currently have approval from Mitigation to go out for bids. I am currently working with our Engineers and they plan to visit next week to put eyes on all projects. We have also been told that on the finance side if documents are presented showing our financial status it could be of assistance on our requirement for the 25%.

In addition, we seem to be having power issues at the Community Building and will

be looking into this issue.

AWBD Spring Conference is April 24, 2025 and I would like for the Board to attend if possible.

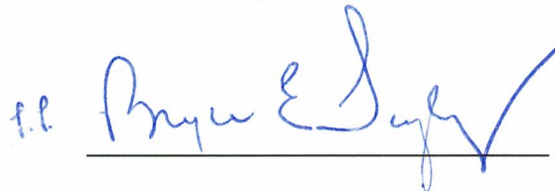
RS stated that we need to come up with a better way to move/store the sand during storm season.

RL stated that Mike Elam will be sworn in to office at our next board meeting on May 15, 2025.

No closed session.

RR made a motion to adjourn the meeting. BL seconded. Motion passed.

Meeting adjourned at 6:50 p.m.



Rick Lawler, President of Board of Directors