

MEETING MINUTES

Board of Directors

TREASURE ISLAND MUNICIPAL UTILITY DISTRICT (TIMUD)

Date of Meeting: August 20, 2026
Time of Meeting: 6:00 p.m.
Board Members Present: Rick Lawler (RL), President, Bryce Langley (BL), Vice-President; Richard Roe (RR), Treasurer; Mike Elam (ME), Secretary; Roy Scott (RS), Director

A quorum was established.

1. The meeting was convened at 6:01 p.m.
2. We had 6 people in attendance with introductions.
3. Jim Weathers was not in attendance. Tamera Mikusek gave the Civic briefing:
 - Fishing Pier repair completed. We are still having some wiring issues which are being checked out by an electrician. Hopefully will be resolved soon.
 - Mailbox portico repairs have been postponed until we are finished with the fishing pier to see how much money we have to move forward on more projects.
 - Treasure Island has been very, very quiet as far as our guests.
 - We are in discussions with CKM and lawyers regarding 218 Fathom that appears to be built as two condos in direct violation of our deed restrictions.
 - Bryce asked Jim to introduce the lettering for the MUD vehicle.
 - Next Civic Association meeting will be October 3, 2026, at 10:30 am located at Community Building, 146 Fathom Drive.
4. MOC usage reported 06/30/26-07/31/26, 1,867,000 gallons water plant meter – Two bacteriological samples taken were good. BWN history (boiled water notice) YTD 3. The meter at the plant went out. Accurate came out and repaired all the components. Plates have been ordered for hydropneumatics tanks. TCEQ fine of \$800 has been paid. RL is working with attorneys on the City of Galveston water contract.
5. RR made a motion to approve the MOC bill as presented. RS seconded the motion. Motion passed unanimously.
6. BL made a motion to approve previous meeting minutes as presented. RS seconded the motion. Motion passed unanimously.
7. RL convened public hearing to receive comments or questions regarding proposed property tax rate for property tax year 2027. RR discussed the property tax rate and

the fact that Treasure Island's taxable appraised values went down this year, most likely due to protests. TIMUD's revenue from the proposed rate of \$0.283605 will basically be the same as last year. The public hearing will be held on September 17, 2026 at 6:00 p.m. at 146 Fathom, Freeport, TX 77541.

8. RR made a motion of proposed tax rate \$0.283605 for property tax rate for property tax year 2027. RS seconded the motion. Motion passed unanimously.
9. RR presented a review of current water rates and changes for July 2027. He suggested that we change the meter charge to \$3800. Two plans will be available, Annual and Semi-annual. I propose that the annual plan (July 1 - June 30) change to \$675, overage would be \$12 per gallon. Semi-annual plan (July 1 – Dec 1 & Jan 1 – June 30) would be \$450 for 30,000 gallons of water per billing period, overage would be \$16 per gallon. No change to commercial billing.
10. RR made a motion to approve the Water Service Fees and Terms for July 2027 as presented. ME seconded the motion. Motion passed unanimously.
11. RL discussed permits and work for illegal revetment removal with Coast & Harbor Engineering. The preliminary costs to complete the project is \$60,000-\$90,000 with \$30,000-\$50,000 being permitting costs. The overall costs include the plan to remove rocks from illegal revetment, which rocks would be usable in CEPRA 1731 project and include in design, plan to modify rocks in existing revetment to fortify existing structure and ensure stability, and to determine and obtain permits required. We met with the County Parks today to discuss future canal dredging, etc. No plans in the near future. No update on CEPRA 1731 dates. Funding will need to be allocated.
12. BL stated that Velasco Drainage District has acknowledged TIMUD's drainage district plan that was done in previous years and directed us to not deviate from the plan. There is a resident on Gulf Beach that is interested in taking preemptive action with some draining issues that affect his property and Gulf Beach road, and he will be directed to Velasco Drainage District and Joe Ripple's office with Brazoria County or GLO. These decisions are not to be made by TIMUD.
13. RL stated that we are unable to stop fireworks on the beach, which we confirmed with our meeting with the County Parks Director. Fireworks are not allowed in County parks. TIMUD has no authority over fireworks.
14. RR stated that we have 3 CD's that are maturing and I would like to renew in staggered dates. BL made a motion to renew CDs in staggered increments. ME seconded the motion. Motion passed unanimously.
15. RL stated that there was an investigation going on with a third-party regarding water samples from TIMUD. This has nothing to do with TIMUD, but with the third party that performed the tests.

16. Board Officer Reports

BL state no significant CEPRA 1731 updates at this time.

After speaking with Terry, he stated that he would be out of 102 Doubloon at noon tomorrow. I will be meeting with him to inspect the home. Once all has been confirmed we will release final pay.

Also discussed in our meeting with the County Parks director that we may have a home for long-term rental.

RR discussed finances. We have collected most water payments and balance in operating account is pretty high and I have not moved as of yet. FEMA account is kept at a minimum due to the fact that it just needs to be opened and available in the event of government funding. The commercial money market account is always kept at \$75,000. Any overage goes to the IntraFi account and we have approximately \$890,000. We currently have about \$1,500,000, of which \$200,000 has just been allocated to other projects discussed.

RL discussed the need for updating the water lines, etc. throughout the subdivision. RL requested a quote from Tommy for water line replacement on China Clipper. There are multiple water leaks currently being accessed on China Clipper. ME brought up the fact that we will be dealing with driveways of all of those homes. There will need to be an assessment to the homeowners as well. ME stated this would be a great winter project, not during storm season.

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

Meeting adjourned at 7:13 p.m.

A handwritten signature in cursive script, reading "Rick Lawler", is written over a horizontal line.

Rick Lawler, President of Board of Directors