

TREASURE ISLAND MUNICIPAL UTILITY DISTRICT

146 FATHOM DRIVE, FREEPORT, TEXAS 77541

Board of Directors Quarterly Meeting Minutes

August 9th, 2014, 10 AM

Directors present: Mark Fuqua, Blake Blackwelder, Debi Screnci, and Gary Willett.

Directors absent: Kym Dobbs

Quorum present? Yes

1. Mark called meeting to order at 10:01 am.
2. 2013-14 fiscal year audit presented by Kevin Cadenhead of Kennemer, Masters, & Lunsford. Audit was clean with no issues needing to be addressed by the Board. Kevin answered questions from the Board regarding the Client Advisory Comments. For an organization of our size, TIMUD has effective internal controls in place. Kevin also made clear that the rep letters signed by Mark and Don pertain only to the current audit and does not pertain to past fiscal years. Kevin also answered questions from members of the community. Motion to accept the audit made by Debi and seconded by Blake. Motion approved with all ayes.
3. Meeting minutes from May 31st, 2014 read aloud by Don. Motion to approve minutes as read made by Debi and seconded by Gary. Motion approved with all ayes. Relating to the approved minutes: Debi and Gary gave update on status of the petition regarding community members in favor of the extension of our current rock protection for erosion control that will be placed on our website. Bugs are still being worked out. Individual signatures will be accepted not just one per lot. Dan Rudroff encouraged members of the community to use the value Brazoria County Appraisal District has given the property on which the firework stand is located as a comp for lowering their own property taxes. Debi spoke about the status of the efforts for Treasure Island to have a VFD. It may not be possible, because of the many requirements, for TI to have an official VFD that could qualify for grants. Dan suggested an association with Surfside VFD. TI would still be subject to onerous requirements to be an official part of Surfside VFD.

4. A new tax rate of \$0.553152 per \$100 of value was proposed. A motion was made by Debi and seconded by Gary to discuss the proposed new tax rate at a Public Hearing to be held on August 31st at 10 am and as part of the motion, a Meeting to Adopt the new tax rate will be held August 31st at 10:05 am. Motion approved with all ayes.

5. Reviewed engagement letter from WhitleyPenn, our accountants. Proposed terms would be in effect until April 30th, 2016. Motion to accept terms of engagement made by Debi and seconded by Gary. Motion approved with all ayes.

6. Project List reviewed.

Replacing tank #2 at our water plant with a new storage tank was discussed. Motion to replace tank #2 with a new storage tank made by Gary and seconded by Debi. Motion approved with all ayes.

Next fire truck training will be held in November.

Update was given by Mark on a new water contract with the City of Galveston. Mark has been in contact and is working with City of Galveston on a new contract.

Mark gave update on permitting process for the extension of the current rock protection for erosion control. Dick Royer spoke to the Board about Civic donating money to project. This led to a discussion of the different financial responsibilities MUD and Civic have for the different things each entity does. At this time, no changes were made.

Quarterly Investment Report presented. Motion made by Debi and seconded by Gary to approve Report. Motion approved with all ayes.

No changes to the budget were made.

Gary gave update on bulkheads at the end of canals 2 and 3. Bulkheads are stable and no action required.

Jim gave update on installation of new stand pipes. Further installation will be done in the winter.

Don updated the efforts by Brazoria County to become part of FEMAs NFIP CRS.

Lot swap to help with the erosion control project was not received favorably by affected property owner.

7. A motion to adjourn the meeting was made by Debi and seconded by Gary. Motion approved with all ayes. Mark adjourned the meeting at 11:23 am.

_____ Date: _____

Mark Fuqua, President, TIMUD Board of Directors