

**AGENDA**  
**GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 12**

Notice is hereby given that the Board of Directors of Galveston County Municipal Utility District No. 12 of Galveston County, Texas, will hold a regular meeting, open to the public, on **Monday, September 21, 2026 at 6:00 p.m.** at 2929 Highway 6, Bayou Vista, Texas, within the boundaries of the District, for the purposes of considering and acting upon the following matters:

1. Public comments (agenda items only - 3 minutes allotted time per speaker).
2. Approve minutes and official records of August 17, 2026 Board of Directors meeting.
3. Public Hearing on 2026 Tax Rate, including:
  - (a) adopt Order Setting 2026 Tax Rate; and
  - (b) approve Amendment to Notice to Sellers and Purchasers and authorize recording of same.
4. Bookkeeper's Report, including:
  - (a) authorize payment of the District's bills; and
  - (b) approve budget for the fiscal year ending September 30, 2027.
5. Operator's Report, including:
  - (a) termination of service to delinquent accounts;
  - (b) status of meter replacement project, including inventory and prioritization;
  - (c) status of Booster Pumps Replacement Project;
  - (d) approve maintenance proposals, as necessary; and
  - (e) approve Addendum to Operator's Contract.
6. Engineer's Report, including:
  - (a) status of bulkhead replacement project;
  - (b) status of potential mitigation project funding for generator project;
  - (c) status of Water Plant relocation project, including site design plan;
  - (d) approve pay estimates, change orders, or easements, as necessary; and
  - (e) authorize advertisements for bids and approve recommendations of award and contracts, as necessary.
7. General District Management Items.
8. Attorney's Report, including:
  - (a) Annual review of Investment Policy.
9. Public comments.
10. Such other matters as may come before the Board.

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive session of the Board should be held or is required in relation to any agenda item included in this Notice, then such closed or executive meeting or session, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, as amended (the "Act"), will be held by the Board at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by Subchapter D of said Act. Persons with disabilities who plan to attend this meeting and would like to request auxiliary aids or services are requested to contact the District's attorney at (713) 651-0111 at least three business days prior to the meeting so that appropriate arrangements can be made.

EXECUTED THIS on the 15<sup>th</sup> day of September 2026.

GALVESTON COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 12



Michael P. Bacon  
Coats Rose, P.C.  
Attorney for the District



(SEAL)

**GALVESTON COUNTY MUD # 12  
TAXPAYER IMPACT STATEMENT**

|                                                                                           | <b>CURRENT BUDGET<br/>FISCAL YEAR ENDING<br/>2025**</b> | <b>PROPOSED BUDGET<br/>FISCAL YEAR ENDING<br/>2026**</b> | <b>NO NEW REVENUE TAX RATE<br/>BUDGET***</b> |
|-------------------------------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|----------------------------------------------|
| <b>ESTIMATED DISTRICT OPERATIONS &amp; MAINTENANCE TAX BILL ON AVERAGE<br/>HOMESTEAD*</b> | <b>\$ 482.79</b>                                        | <b>\$ 521.41</b>                                         | <b>\$ 482.79</b>                             |

\*The District levies taxes in accordance with the Texas Water Code. The District's current operations and maintenance tax rate is equal to \$.150172 per \$100 of assessed value. Average homestead values are determined by the county appraisal district. All estimates above were prepared utilizing the average resident homestead value as of the time that the District's most recent Truth and Taxation worksheet was prepared in accordance with the Texas Water Code.

\*\*Average tax bill estimates for the current and proposed budgets reflect those rates necessary to fund the operations and maintenance tax revenues stated in the applicable budget.

\*\*\*This column estimates the operations and maintenance taxes to be paid on the average homestead if the proposed budget generates the same amount of operations and maintenance tax revenues as the current budget.

## Galveston County MUD 12 General Operating

Dated 08-07-26

## PRELIMINARY PROPOSED BUDGET FOR FISCAL YEAR ENDED 09-30-27

| Account           | Description                       | 9 Months Actual | Projected 12 Months | Projected Variance | Budget as Approved | Preliminary Budget 2026-2027 | Notes                                               |
|-------------------|-----------------------------------|-----------------|---------------------|--------------------|--------------------|------------------------------|-----------------------------------------------------|
|                   |                                   | 2025-2026       | 2025-2026           | 2025-2026          | 2025-2026          | 2026-2027                    |                                                     |
| INCOME            |                                   |                 |                     |                    |                    |                              |                                                     |
| 400               | Water Billings                    | 345,685         | 475,913             | 15,913             | 460,000            | 470,000                      |                                                     |
| 401               | Water Tap Fees                    |                 |                     | (1,250)            | 1,250              | 1,250                        |                                                     |
| 402               | Sewer Billings                    | 467,741         | 623,655             | 23,655             | 600,000            | 618,000                      |                                                     |
| 403               | Sewer Tap Fees                    |                 |                     | -                  | -                  | -                            |                                                     |
| 405               | Late Fees                         | 27,555          | 36,740              | 11,740             | 25,000             | 25,000                       |                                                     |
| 407               | Administrative Fee                |                 |                     | -                  | -                  | -                            |                                                     |
| 410               | Tax M & O                         | 725,639         | 743,639             | 23,639             | 720,000            | 756,000                      | max rate \$.166073 100% collection on \$455 million |
| 421               | City of BV - Rent2wwszz           | 14,850          | 18,600              | -                  | 18,600             | 6,200                        | \$1550/month for 4 months only                      |
| 430               | Rental Income                     |                 | 1,000               | -                  | 1,000              | 1,000                        |                                                     |
| 445               | Reimbursements from Bond Proceeds |                 |                     | -                  | -                  | -                            |                                                     |
| 460               | Other Income                      | 3,550           | 3,550               | 550                | 3,000              | 3,000                        |                                                     |
| 470               | Misc. Fees                        |                 |                     | -                  | -                  | -                            |                                                     |
| 480               | Services                          |                 |                     | -                  | -                  | -                            |                                                     |
| 490               | Invest. Interest                  | 13,608          | 18,144              | 144                | 18,000             | 18,000                       |                                                     |
|                   | TOTAL INCOME                      | 1,598,628       | 1,921,241           | 74,391             | 1,846,850          | 1,898,450                    |                                                     |
| EXPENSE WATER     |                                   |                 |                     |                    |                    |                              |                                                     |
| 500               | Water Purchases                   | 139,163         | 185,551             | 24,449             | 210,000            | 210,000                      |                                                     |
| 500.1             | Accrued Water/True Up             |                 |                     | -                  | -                  | -                            |                                                     |
| 501               | Water Chemicals - HTH-CL2         | 695             | 927                 | 7,073              | 8,000              | 8,000                        |                                                     |
| 502               | Water Utilities                   | 7,389           | 9,852               | 18,148             | 28,000             | 25,000                       |                                                     |
| 503               | Water Line Repair                 | 253,054         | 397,405             | (197,405)          | 200,000            | 200,000                      | Per Operator                                        |
| 503.4             | Equipment                         | 21,417          | 28,556              | 1,444              | 30,000             | 30,000                       |                                                     |
| 503.03            | Electrical                        |                 |                     | 10,000             | 10,000             | 10,000                       |                                                     |
| 503.1             | Maint. Water Tanks                | 1,700           | 2,267               | 7,733              | 10,000             | 10,000                       |                                                     |
| 503.11            | Dress Up                          |                 |                     | 30,000             | 30,000             | -                            |                                                     |
| 503.2             | Water - inspections               |                 |                     | -                  | -                  | -                            |                                                     |
| 503.3             | Water Supplies                    |                 |                     | 10,000             | 10,000             | 10,000                       |                                                     |
| 503.5             | Water - equipment pumps           |                 |                     | -                  | -                  | -                            |                                                     |
| 504               | Lead/Copper Test                  |                 | 4,000               | -                  | 4,000              | 4,000                        |                                                     |
| 505               | Water Tests                       | 18,747          | 24,996              | 4                  | 25,000             | 25,000                       |                                                     |
| 506               | Water Tap Expense                 |                 |                     | 15,000             | 15,000             | 15,000                       |                                                     |
| 507               | Meter Installation                | 517,780         | 517,780             | (267,780)          | 250,000            | -                            | Per Operator                                        |
| 508               | GCWA 39" line                     |                 |                     | -                  | -                  | -                            |                                                     |
| 509               | Water Plant Repairs               |                 |                     | 10,000             | 10,000             | 10,000                       |                                                     |
| 511               | Other - Water                     | 160,872         | 214,496             | (114,496)          | 100,000            | 150,000                      |                                                     |
|                   | TOTAL EXPENSE WATER               | 1,120,817       | 1,385,829           | (445,829)          | 940,000            | 707,000                      |                                                     |
| EXPENSE SEWER     |                                   |                 |                     |                    |                    |                              |                                                     |
| 520               | Sewer Chemicals                   | 16,083          | 21,444              | (19,444)           | 2,000              | 20,000                       |                                                     |
| 522.4             | Supplies                          |                 |                     | -                  | -                  | -                            |                                                     |
| 526.1             | Sewer Main Clean                  | 2,564           | 5,000               | -                  | 5,000              | 5,000                        |                                                     |
| 523               | STP Permits                       | -               |                     | -                  | -                  | -                            |                                                     |
| 522               | Sewer Line Repair                 | -               | 15,000              | -                  | 15,000             | 15,000                       |                                                     |
| 520.1             | HTH - CL2                         | 12,049          | 16,065              | 3,935              | 20,000             | 20,000                       |                                                     |
| 522.1             | Sewer Plant Repair                | 12,873          | 17,164              | 7,836              | 25,000             | 20,000                       |                                                     |
| 521               | Utilities-L/S                     | 5,852           | 7,803               | (803)              | 7,000              | 8,000                        |                                                     |
| 522.2             | Sewer Plant Equip.                | 37,671          | 50,228              | (30,228)           | 20,000             | 20,000                       |                                                     |
| 522.3             | Sewer - Lift Station              | 22,237          | 29,649              | (9,649)            | 20,000             | 20,000                       |                                                     |
| 524               | Sewer Tests-STP                   | -               | 8,000               | -                  | 8,000              | 8,000                        |                                                     |
| 525               | Sewer Tap Expense                 |                 |                     | -                  | -                  | -                            |                                                     |
| 526               | Sludge Removal                    | -               | 5,000               | 30,000             | 35,000             | 10,000                       |                                                     |
| 521.1             | Sewer Utilities-STP               | 14,562          | 19,416              | 584                | 20,000             | 22,000                       |                                                     |
| 529               | Sewer - Solid Waste               | 183,626         | 244,835             | (34,835)           | 210,000            | 250,000                      |                                                     |
| 528               | Sewer - Other                     | -               | 10,000              | 10,000             | 20,000             | 20,000                       |                                                     |
| 530               | Permit & Fees                     |                 | 1,000               | -                  | 1,000              | 1,000                        |                                                     |
|                   | TOTAL EXPENSE SEWER               | 307,517         | 450,604             | (42,604)           | 408,000            | 439,000                      |                                                     |
| GENERAL OPERATING |                                   |                 |                     |                    |                    |                              |                                                     |
| 580               | Operator Fees-Benry               | 94,808          | 126,411             | 10,389             | 136,800            | 136,800                      |                                                     |
| 557               | Workers' Comp.                    |                 |                     | -                  | -                  | -                            |                                                     |
| 560               | Other Expenses                    |                 | 5,000               | -                  | 5,000              | 5,000                        |                                                     |
| 562               | Small Tools                       |                 |                     | 1,500              | 1,500              | 1,500                        |                                                     |
| 567               | Plant Insurance                   | 16,760          | 22,347              | 3,903              | 26,250             | 26,250                       |                                                     |
| 569.4             | Automobile Liab Ins               | 594             | 594                 | (594)              | -                  | 600                          |                                                     |
| 571               | Engineer                          | 47,860          | 63,813              | (18,813)           | 45,000             | 25,000                       | for general engineering                             |
| 575               | Telephone/Comm                    | 10,148          | 13,531              | (5,731)            | 7,800              | 13,000                       |                                                     |
| 576               | Fire Hydrants                     |                 |                     | 10,000             | 10,000             | 10,000                       |                                                     |

|                        |                                               |                  |                  |                  |                  |                  |
|------------------------|-----------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| 577                    | Lawn Maint.                                   | 11,000           | 14,667           | (3,867)          | 10,800           | 12,000           |
|                        | <b>TOTAL GENERAL OPERATING</b>                | <b>181,170</b>   | <b>246,362</b>   | <b>(3,212)</b>   | <b>243,150</b>   | <b>230,150</b>   |
| <b>ADMIN. EXPENSES</b> |                                               |                  |                  |                  |                  |                  |
| 605                    | Retirement/Incentive                          | 1,623            | 4,699            | (799)            | 3,900            | 4,920            |
| 606                    | Payroll Taxes                                 | 5,433            | 5,991            | (991)            | 5,000            | 6,273            |
| 605.1                  | Group Health Insurance                        | -                | -                | -                | -                | -                |
| 607                    | Salaries-Admin. Asst. - Perales               | 58,739           | 78,319           | (13,319)         | 65,000           | 82,000           |
| 609.1                  | Flood Ins-2929 Hwy 6                          | 15,660           | 15,660           | (11,160)         | 4,500            | 4,500            |
| 609.11                 | Texas Windstorm Ins                           | 32,226           | 32,226           | 2,974            | 35,200           | 35,200           |
| 610.1                  | Workers' Comp.                                | 1,075            | 1,075            | (75)             | 1,000            | 1,000            |
| 611                    | Gen Liab Ins                                  | 1,103            | 1,103            | (3)              | 1,100            | 1,100            |
| 612                    | Bank charges                                  | 204              | 204              | 296              | 500              | 500              |
| 613                    | Miscellaneous Exp                             | -                | 1,000            | -                | 1,000            | 1,000            |
| 622                    | Utilities                                     | -                | -                | -                | -                | -                |
| 622.1                  | Electricity                                   | 6,534            | 8,712            | (712)            | 8,000            | 9,000            |
| 622.2                  | Mud Water bill                                | 397              | 529              | 71               | 600              | 600              |
| 622.3                  | Mud Gas Bill                                  | 668              | 891              | 109              | 1,000            | 1,000            |
| 641                    | Repair & Maint. Offices                       | 37,555           | 42,555           | (32,555)         | 10,000           | 20,000           |
| 642                    | Hall Expenses                                 | 1,925            | 2,567            | 3,433            | 6,000            | 6,000            |
| 650                    | Directors Insurance                           | -                | 1,200            | -                | 1,200            | 1,200            |
| 652                    | Audit/Accounting                              | 47,549           | 54,549           | (4,549)          | 50,000           | 51,000           |
| 654                    | Billing Costs                                 | 63,520           | 80,000           | (35,000)         | 45,000           | 50,000           |
| 656                    | Dues/Subscript.                               | 50               | 800              | -                | 800              | 800              |
| 657                    | Election Expense                              | -                | -                | -                | -                | -                |
| 658                    | Arbitrage Compliance fee                      | -                | -                | -                | -                | -                |
| 676                    | Legal Counsel                                 | 57,812           | 77,083           | (32,083)         | 45,000           | 45,000           |
| 676.2                  | Legal Counsel -Election                       | -                | -                | -                | -                | -                |
| 678                    | Notices/Fees                                  | -                | -                | 3,000            | 3,000            | 3,000            |
| 680                    | Office Supplies                               | 2,030            | 2,707            | 793              | 3,500            | 3,500            |
| 680.1                  | Website                                       | 1,560            | 3,000            | -                | 3,000            | 3,000            |
| 680.2                  | Ins-Errors & Omissions                        | 1,454            | 1,454            | 46               | 1,500            | 1,500            |
| 686                    | Postage                                       | 122              | 1,000            | -                | 1,000            | 1,000            |
| 691                    | Training                                      | -                | -                | -                | -                | -                |
| 694                    | Director's Fees                               | 8,619            | 11,492           | 2,008            | 13,500           | 13,500           |
| 696                    | Travel                                        | -                | 2,500            | -                | 2,500            | 2,500            |
| 697                    | Regulatory                                    | 5,966            | 5,966            | (966)            | 5,000            | 5,000            |
| 699                    | Maint. Agreements                             | 9,458            | 9,458            | (1,458)          | 8,000            | 10,000           |
| 699.2                  | Mileage (Office)                              | -                | 200              | -                | 200              | 200              |
| 655.1                  | Contracted Serv                               | -                | 1,500            | 1,500            | 3,000            | 3,000            |
|                        | <b>TOTAL ADMIN. EXPENSES</b>                  | <b>361,282</b>   | <b>448,439</b>   | <b>(119,439)</b> | <b>329,000</b>   | <b>367,293</b>   |
| <b>CAPITAL OUTLAY</b>  |                                               |                  |                  |                  |                  |                  |
| 910                    | Fire Hydrants                                 | -                | -                | -                | -                | -                |
| 911                    | Park-Landscaping                              | -                | -                | 2,000            | 2,000            | 2,000            |
| 916.4                  | Influent Screens & Flow Splitter & Clarifer   | -                | -                | -                | -                | -                |
| 915                    | Generator                                     | -                | -                | -                | -                | -                |
| 916                    | Capital Outlay/WWTP                           | -                | -                | -                | -                | -                |
| 916.1                  | Capital Outlay - Valve Replacement            | -                | -                | -                | -                | -                |
| 916.3                  | Influent Screens & Flow Splitter & Clarifer   | -                | -                | -                | -                | -                |
| 916.5                  | Bond Expense                                  | -                | -                | -                | -                | -                |
| 916.6                  | Capital Outlay - Water Tank                   | -                | -                | -                | -                | -                |
| 916.8                  | Capital Outlay - Fire Hydrants                | -                | -                | -                | -                | -                |
| 917                    | Bond Application                              | -                | -                | -                | -                | -                |
|                        | Booster Pumps                                 | -                | -                | -                | -                | - bond funds     |
|                        | Fire Hydrants                                 | -                | 40,000           | 40,000           | -                | -                |
|                        | Bond Project - Water Plant (pumps, GST, Elec) | -                | -                | -                | -                | - bond funds     |
|                        | Monument Sign                                 | -                | 20,000           | 20,000           | 20,000           | -                |
|                        | Bulkhead - office                             | -                | -                | -                | -                | -                |
|                        | Bulkhead - park                               | -                | -                | 55,000           | -                | - bond funds     |
|                        | Use of remainder of bond proceeds             | -                | -                | -                | -                | -                |
|                        | <b>TOTAL CAPITAL OUTLAY</b>                   | <b>-</b>         | <b>-</b>         | <b>117,000</b>   | <b>117,000</b>   | <b>22,000</b>    |
| <b>OTHER</b>           |                                               |                  |                  |                  |                  |                  |
|                        | <b>TOTAL EXPENDITURES</b>                     | <b>1,970,786</b> | <b>2,531,234</b> | <b>(494,084)</b> | <b>2,037,150</b> | <b>1,765,443</b> |
|                        | <b>BUDGET TOTAL INCOME</b>                    | <b>1,598,628</b> | <b>1,921,241</b> | <b>74,391</b>    | <b>1,846,850</b> | <b>1,898,450</b> |
|                        | <b>NET EXCESS / (DEFICIT)</b>                 | <b>(372,158)</b> | <b>(609,993)</b> | <b>(419,693)</b> | <b>(190,300)</b> | <b>133,007</b>   |
|                        | <b>Use of Undesignated Fund Balance</b>       |                  |                  |                  | 190,300          |                  |
|                        |                                               |                  |                  |                  | -                |                  |
|                        | <b>NET EXCESS/(DEFICIT)</b>                   |                  |                  |                  | -                | <b>133,007</b>   |