

WEST GALVESTON ISLAND PROPERTY OWNER'S ASSOCIATION

MINUTES OF THE BOARD OF DIRECTORS MEETING

July 16, 2005

Jerry Mohn, President, called the Board of Directors meeting of the West Galveston Island POA to order at 9:00 a.m. The meeting was held at the Galveston Country Club on July 16, 2005. A quorum was established by attendance of Directors, Doug Eibsen – Terramar Beach, Sidney McClendon – Pirates Beach, Tom Booth – Condominiums, Marie Garrett – Bermuda Beach, Bill Moll – Spanish Grant Bay, Jim Stewart – Isla Del Sol, Charlotte Goeters – Acapulco Village. Susan Gonzales with CKM Property Management - Recording Secretary was also present.

Jerry Mohn introduced the Brian Lamb, Robert Cheek and Eddie Janek Jr., all running for County Commissioner Pct 2. Jerry Mohn also recognized corporate sponsors Claire Reisweg with Sand 'N Sea Realtors, David Bloom with Joe Tramonte Realtors, and Mike Brown with Silverleaf Resorts. Also present were Don Gartman, President of Galveston County Economic Alliance.

The minutes were reviewed. Upon motion duly made by Tom Booth and seconded by Sidney McClendon, the following resolution was unanimously adopted.

RESOLVED THAT, the Board approved the June minutes.

Marie Garrett gave the financial report. Cash on hand is \$28,728 and total assets are \$33,478. Upon motion duly made by Sidney McClendon and seconded by Tom Booth, the following resolution was unanimously adopted.

RESOLVED THAT, the Board approved the financial report.

Special Report: Galveston Windstorm Action Committee – Otie Zapp

GWAC was formed in 1986 to work to reduce the cost of windstorm insurance. In 1992 the Windstorm pool sent out \$2 million in refunds for Galveston. A Bill was filed in March of 2005 to increase rates by three times. Otie Zapp stated that we dodged a bullet and the Bill was not passed and to thank the efforts of State Representatives Craig Eiland and Larry Taylor and State Senators Kyle Janek and Mike Jackson. The GWAC is monitoring the legislation Special Session. Otie Zapp requested donations to continue the work which includes hiring a lobbyist.

FOGISP (Friends of Galveston Island State Park): The WGIPOA received a request from FOGISP for a donation for a 5K run in the State Park. All proceeds raised by the event will go to the Park. The WGIPOA helped in the formation of FOGISP and actively supports the operations and directions of the group. Upon motion duly made by Sidney McClendon and seconded by Jim Stewart, the following resolution was unanimously adopted.

RESOLVED THAT, the Board approved a \$300 donation for the 5K Run.

Seaweed Study: Dr. Tom Linton from TAMUG is forming a task force to study and research the seaweed invasion that has plagued the west end this year. We usually experience seaweed for 2 to 3 months but this year has been one of the heaviest. The study will involve investigating the biology, whether to leave on the

beach or rake it, benefit to the beach, and other facets. The seaweed is from the Sargasso Sea which is above the Bermuda Triangle in the Atlantic Ocean and it is approximately 150 miles wide. Depending on the prevailing southwest winds and current patterns, the seaweed migrates into the Gulf of Mexico. Part of the task force will include Dr. Wardle from TAMUG, who prepared information on the seaweed for the Parks Board, and Andrew McInnes, who is currently monitoring sand migration of the west end beaches..

BP Energy – Proposed LNG Facility on Pelican Island

The BP proposed LNG facility on Pelican Island has been a very controversial issue. The WGIPOA will not take a position on the project but invited BP to present to the West End information on the project. The West End has many weekenders who have heard about the project but they may have not participated in many of the presentations BP has made in and around the City. The WGIPOA believes this meeting was an opportunity to keep the West End up to date on current Galveston issues and concerns.

Neil Geary – Communications Director, Angie Curry - Director of Health, Safety and Public Management; Pablo Magana – Chief Engineer; and, Jim Lee, Public Relations, were present from BP. Pelican Island was chosen for the location of the LNG Facility because it is remote, surrounded by dredge spoil site, easily accessible for marine traffic, part of the City industrial base, and the area is zoned for commercial development. Demand for energy in the United States is exceeding supply and an annual growth rate of 2%. BP Energy will be bringing the LNG to the facility in a condensed form at -260 degrees F and then once delivered the liquid will be heated through vaporizers to natural gas. The ships used to deliver the LNG are built with double hulls and state of the art navigation equipment. No vessel has ever had any loss of gas and more than 43,000 voyages have been made by LNG tankers around the world with no loss of containment. There will be two (2) storage tanks, double hulled steel that will be 180 high feet by 250 feet in diameter. A pipeline would be built from the terminal to the mainland and sent into a pipeline system. Upon completion, the project will have a daily delivery capacity of approximately 1.2 billion cubic feet, enough to supply the daily needs of 5 million homes. BP Energy is taking into consideration the following:

- *Measure site ecology
- *Incorporate data into terminal design to reduce impact
- *Evaluate and determine mitigation options
- *Provide net ecosystem benefit to Galveston Bay
- *Plan to go beyond regulation requirements

BP is using the "Risk based approach", Risk = threat x vulnerability x consequences. Decrease the risk by reducing the threat and the vulnerability. Consequences entails mitigation. There are risks from accidental LNG spills and traffic accidents, which are manageable. Multiple techniques exist to enhance LNG spill safety and security management. Risk identification and risk management processes are effective methods in lessening incidents.

The economic impact to the City of Galveston and Galveston County will be significant. Construction will take approximately 40 months and the investment in the terminal will be between \$600-650 million and for the pipeline \$100-150 million. The taxable property value will be \$250-300 million and for every \$100 million in taxable property generates \$3 million in property tax revenue as follows:

GISD \$1,560,000

City of Galveston \$541, 700

Galveston County \$627,950

Galveston College \$195,200

Others \$ 75,000

In addition, millions of dollars in port fees will go to the Port of Galveston and an average of 625 direct and indirect jobs during construction. During operation of the facility, there will be 84 direct and indirect jobs. There was a question answer session concerning the impact of the plant.

Jackie Cole Report: City Council District 6 Jackie Cole updates developments on the West End. She nominated Jeri Kinnear to the Parks Board of Trustees and it was not acceptable to other City Council members. A west end member is needed on the Parks Board since we represent 37% of the tax base and we have an impact on the tourism industry. Jackie advised the west end needs to mobilize and politicize and for people to register and vote. For weekenders, one spouse can register in Galveston while the other can still maintain the voting for the main residence. A vote means more in Galveston than in Houston or Dallas.

Jackie discussed the upcoming budgeting cycle that will take place with workshops the week of August 15 and she encouraged residents to attend the meetings to learn more about the budgeting process and to provide input to her prior to the meetings. There are financial problems in the upcoming budget year. Currently, the City is \$1.5 million over budget and the City Manager has requested each Department to reduce expenses by 5% for the next fiscal year. One of the problems is that the City cannot spend anymore than 7% from one year to the next. The sewer project for Sea Isle and Terramar will move forward this year but Bay Harbor will be delayed until next year in order for the City to obtain the necessary rights of way from the residents.

Jackie discussed the trash and debris on the beach and that pressure is needed to make certain the Parks Board keeps the west end beaches clean. Security was discussed and only 3% of the city calls to the police come from the west end. She is requiring monthly reports from the Public Works Department and what they are doing for the water and road improvement programs.

If any person has an issue to direct Emails to: citycouncil@cityofgalveston.org and it will go to all City Council members.

Galveston Island Vacation Realtors Management Association - Claire Reiswerg stated that the GIVRMA want to promote rentals and to promote good renters and neighbors. The hired Security Officers work from 10:00 p.m. – 4:00 a.m.. To date with the new program they have had three (3) evictions and broken up several parties. Property owners can call **409-682-3603** for rental issues. The Security Officers will be used only by eight (8) Realtors who are members of GIVRMA, this includes Castaways, Century 21, Deem, Gary Greene, Island Realty, Prudential, Sand 'N Sea, and Wolverton. To check lists see websites: GARMLS.com and HARMLS.com

There being no further business to come before the Board and Members the meeting was adjourned at 10:45 a.m.
