WEST GALVESTON ISLAND PROPERTY OWNER'S ASSOCIATION

HURRICANE IKE UPDATE MEETING MINUTES

October 25, 2008

A meeting of the West Galveston Island Property Owners Association ("WGIPOA") was held on October 25, 2008, in Salon F-G-H at the Moody Gardens Hotel to obtain and provide updated information relating to Hurricane Ike. Jerry Mohn called the meeting to order at 9:02 a.m., stating that he was glad everyone was here and alive.

A. Introductions – Jerry Mohn introduced the following individuals:

- 1. Galveston County Commissioner Brian Lamb Commissioner Lamb stated that the County supports the City of Galveston, is there to help the City, and admires how everyone has been working together in the Hurricane Ike aftermath. Galveston County Judge Jim Yarbrough was unable to attend the meeting.
- 2. Galveston Mayor Pro Tem Danny Weber Mayor Pro Tem Weber stated that everyone had done a tremendous job getting the situation to its current status given the devastation that was from the west to east and south to north. Mayor Pro Tem Weber said that the city gave its condolences for everyone's losses and that all City officials are acting professionally and doing a great job. Galveston is 5 weeks into the worst disaster the County has ever had, but the island is coming back. The County has accomplished much in getting roads open and city services working and sincerely thanks residents for their patience and perseverance.
- 3. Deputy City Manager Brandon Wade Deputy Wade extended the apology from Steve Leblanc, who was unable to attend the meeting. Deputy Wade thanked the City staff police officers, who have been working long hours, wading chest deep in water, and evacuating those that chose not to leave their homes. Deputy Wade also thanked the firemen for handling all of the fires. As a result of the storm, the whole utility system failed, and 3 other systems failed. There were 116 traffic signals that failed due being completely submerged. When electrical service is working again, homeowners must have a permit for electrical function. If the homeowner uses electricity at his home without being permitted, the house could burn; some have already done so. Deputy Wade thanked FEMA for being in Galveston and stated that FEMA had been very helpful; FEMA has responded within 24 hours of a particular request. Deputy Wade stated that there are red, yellow, and green codes, with green being the most favorable. Galveston has a green code, which protects residents' flood insurance and is why the City has these procedures.

Jerry Mohn thanked the City staff for working and staying on the island through the storm.

4. City Councilwoman Karen Mahoney – Councilwoman Mahoney stated that she hoped that everyone was adjusting to the situation and that things were going smoothly for everyone. Councilwoman Mahoney remarked how impressed she was to see everyone putting the pieces back together and to see water service restored to residents bit by bit. Councilwoman Mahoney thanked FEMA for making blankets, cots, and coffee to residents by calling 409-370-9831. This has been mental clarity and trying to remember where everything is in temporary homes.

John Mohn stated that Vic Pierson and John Brick had sent apologies for not being able to attend the meeting and messages that they would attend next month's meeting. Jerry Mohn thanked everyone for what they are doing on the west end.

5. Jerry Mohn stated that Navella Cole, who was to report for U. S. Representative Ron Paul was unable to attend.

B. Presentations – Jerry Mohn introduced the following presenters:

- 1. Police Chief Charles Wiley Chief Wiley gave an update on public safety. Chief Wiley stated that he had supervised the west end during and after the Storm and that he lost his house and boat to the storm. The police force worked very hard – 12 hours on duty and then 12 hours off duty. The San Louis Hotel provided accommodations. It took 15 days before people could get back to the island. Chief Wiley has been in Galveston for only a few months and is pleased to be here. Chief Wiley asked for a moment of silence. Chief Wiley stated that during the storm, the winds were tolerable, but the water could not be escaped. The main problem was looting, but the police kept this to a bare minimum and made a significant number of arrests. Chief Wiley stated that the curfew helped control the crime because no one was out at night. Police officers from other areas came to help with Round Road. Grapeville, Texas, and other areas outside of Texas wanted to help, but out-of-state assistance had to be declined because of reimbursement issues. Chief Wiley stated that having the whole city blacked out after the hurricane was amazing; the landscape changed. When power service was restored, the police department began to rebuild. The staff responded so well that everyone could not fit into the San Louis Hotel, and meetings had to be held in the parking lot. Police officers carried elderly people from their homes. Chief Wiley stated that residents of the west end are resilient and take care of each other. Chief Wiley thanked the residents for doing this and stated that this kept the west end from having some of the problems that the City has.
- 2. Sergeant Buck stated that his group provided security 24/7 and used a helicopter and boats in the bay for surveillance. The group also used all terrain vehicles that were donated. The boat patrol includes a flare unit to help see at night, and there are unmarked units/cars being used. A few days after the storm, some ice and water were delivered with EMS assistance, which helped pull the boat carrying the ice and water. Those in attendance gave a standing ovation. Sergeant Buck stated that residents should call 409-765-3653 or 409-765-3654 to file a report for stolen items. This is needed for insurance reports. Sergeant Buck stated that looting is occurring during the day and night and stressed that residents should keep their doors locked. If residents have boats missing, they should report this; the owner will be contacted when the boat is found if the number is on the boat. It was noted that a tractor from Missouri had dumped debris a few lots down; improper debris dumping should be reported to 409-797-3630.

UTMB is open for service. Please see Exhibit "A" for further detail.

3. Fire Chief Mike Varela reported on fire safety. Chief Varela thanked those in attendance for being there. Chief Varela stated that the firefighters had done an extraordinary job. There have been 69 structure fires, 30 vehicle fires, and 1 boat fire of the 126 stored boats. The fire department had not anticipated the large amount of water from the storm. There was 8'-10' of water in the areas where structures burned; fire trucks were flooded. With the water system completely failing, the firefighters were frustrated with too much water in their way but no water to extinguish the fires. Chief Varela reminded everyone that the fire department is still there to help. Chief Varela stated that at one point, the firefighters had no water to do anything and had to call for help. Forty-five additional firefighters and a tanker truck came to help. Firefighters had to go over telephone poles and trees just to hook up to water, which took a long time. Chief Varela stated that he is proud to be the fire chief and has some great firefighters. Fire station 5 and the station at the airport were lost. Two fire stations at west end are in operation; module buildings are being used until stations can be rebuilt. Water service in the west end has been restored, but there are other areas that are still without water service. The fire

department is protecting in 24-hour shifts. There are electrical shorts and the smell of gas everywhere.

4. Lori Field Schwartz reported on zones/permits and repairs/electrical. Please see Exhibit "B" for details on dropping off hazardous household material. The roof on city hall was peeled off; city operations are temporarily located at 601 54th Street. City hall normally deals with 500 permits per month but has 3,000 permits per day since the storm: 900 residential, 80 commercial, and 1,700 electrical. The city is improving daily. Homes and buildings are currently coded as red (400), green (10,000), or yellow (7,000). Immediately after the storm, the city assessed each structure. Red means that the structure is unsafe and uninhabitable. Yellow means that permits cannot be issued for the structure. Owners must repair 30-70% of the damage. Owners can ask FEMA for an RSD (residential structural damage estimate). Cityofgalveston.org should be consulted for questions. Assistance is beginning to be received from other areas. If a structure has been coded yellow and is on the south side of FM 3005, then the city can issue permits for stairs only to secure the property. The city has not deemed any house "must be demolished." If a structure has substantial damage, then the city will send a letter, but no letters have been sent yet. If a house is built to base flood, turn in for a permit. A planning counter is at cityofgalveston.org. Permits can be checked at this website, too. The permit list is posted twice daily if permits are granted. Drop off electrical permits and inspections. Permits are granted roughly 1-2 days after inspected and released from Centerpoint Energy. Additional city planners will be available to help those who come into the office with questions. The office is open on Saturdays from 8:00 a.m. until noon. Photographs must be submitted. No line of vegetation as of right now. Owners should complete applications to the best they can. No permits are needed for cleanup. The city has limited resources to provide emergency beachfront issues

A property owner asked if the City has taken advantage of grants to bring older homes up to City code on level. A FEMA representative responded that if a house were already up to code standards, then FEMA would not provide assistance in this area. A house must be declared substantially damaged.

It was noted that property owners with beachfront houses that are in the water should probably begin to look for new sites for these houses. These property owners should contact the planning counter at cityofhouston.org.

A property owner mentioned that a link on the website is missing.

The City is emailing Centerpoint Energy lists of all properties that have been inspected.

The County's assessed value is the value to replace the home – if more than 50% damaged plus 5% of the pre Ike appraised value. Property owners can have a private value assessed by hiring a certified appraiser; the City will accept the value assessed by the certified appraiser. The City does not look at tax assessed; it looks at the house's replacement value per the insurance policy covering the house.

5. Keith Gray with Centerpoint Energy stated that requests to have power restored should be made to the City. Once the City issues the permit to have power restored, the City emails this to Centerpoint, which then creates a change order for the customer to have power restored. Power is restored either that day or the next day. Some days Centerpoint has 90 crews working. There have been instances in which crews have not been able to restore power because they have not been able to access breaker boxes; property owners should make a note on the application or leave a note for the crew regarding access to breaker boxes. Property owners can call 409-765-4165 during the week, 8:00 a.m. – 5:00 p.m. for status updates; the status will be state if the permit has been received, denied, or in process. The regular number to contact Centerpoint Energy during the week is 713-207-2222; Keith Gray's office number is 409-765-4001. Mr. Gray stated that crews are restoring power to homes in Spanish

Grant as fast as they can; Bona Vista and the very end of the west end will have power restored soon. Crews will start working on Gulf Drive soon.

- 6. Bobby Enriquez with Texas Gas Transmission stated that service is being restored to customers as quickly as possible. All of the company's customers lost service due to the storm. There have been many volunteers from across Texas who cannot be thanked enough. The company had to use airboats to get to the stations at 8 Mile Road, 83rd Street, and Pelican Island. Customers should call 1-800-700-2443 to schedule having service restored; customers can give a waiver that allows the company to enter the home to restore service if the customer is not at home. If a customer is not at home when the company arrives to restore service, then a blue tag will be left, and service can be restored either later that same day or the next day once the customer notifies the company by calling 1-800-700-2443 that someone is at home. An email is being sent to respond immediately to requests from the City.
- 7. Brandon Wade gave an update on water, sewer, and septic issues. Mr. Wade stated that a City staff member delivered a baby in one of the shelters and that there were public works employees who lost their homes during the storm but continued to work. The public works department received help from volunteers from Hidalgo County, McAllen, and San Antonio; McAllen provided 110 staff and multiple vehicles. Property owners can contact Cindy at 409-797-3630 to schedule meetings with public works and utilities. If there is no sand under a house, then the public works department cannot provide service to the house. Mr. Wade noted that some traffic signals are working on a temporary basis; some lights were taken from storage to use. Mr. Wade reminded everyone that if a traffic light is not working, then drivers should treat the intersection as a 4-way stop. The department is in the process of helping remove sand and 100 million yards of debris. Justice Center and Old Sea Arama. When debris remnants are left scattered after the bulk of debris is removed, the property owner must pick up the remnants. The City is asking that all debris be removed from properties by November 15 so that the debris pickup can be stopped shortly thereafter. Beach cleaning and garbage service will begin soon. Garbage carts should be next to pilings; property owners can contact Cindy at publicwork@cityofgalveston.org if their trash is not taken.
- 8. Cheryl Johnson reported on property taxes/values. Ms. Johnson thanked everyone and stated that her second-story office had gotten 2' of water in it, which ruined 4 workstations. Ms. Johnson is now sharing an office with the voter registrar. Ms. Johnson has property files in her office from the 1960's. Ms. Johnson discussed consumer fraud, directed property owners to her website, and provided information attached as Exhibits "C" and "D." Ms. Johnson stated that property owners must submit a form by February 2, 2009, to make installment payments; this can be done even if the property is not a permanent residence. Any damage to a property qualifies the property owner for installment payments. Any County can re-appraise a district. A current reappraisal will be valued up to the day of the storm and will then be revalued. If a property received 40% damage, then the property owner would save approximately 20% for damage. Pre-storm and post-storm flyovers were completed. Ms. Johnson encouraged everyone to take photographs and proposals for repair on January 1. If a property's loss is a bottom floor used as storage, then the property tax will not be reduced. Beachfront property will be appraised at a higher rate. Ms. Johnson stated that her office is open 7:00 a.m. 7:00 p.m. for voting issues and 8:00 a.m. 5:00 p.m. for property tax and property value issues.
- 9. Terry McArdle with FEMA distributed Exhibit "E" and stated that FEMA was acting as a liaison with the City. FEMA has been responding to catastrophes such as Hurricane Ike for the last 20 years. Mr. McArdle expressed a positive attitude and willingness to work together. FEMA has been working with state and federal coordinating officials and individual branches in western Beaumont, Harris County, the City of Houston, and in Galveston.

- 10. Bill Hanna with FEMA stated that the recovery process in Galveston is not simple due to the laws protecting the coast; debris must be removed carefully from the canals so that the canals are not damaged by the debris removal. FEMA has state and federal regulations it must follow. The debris task force is currently determining how and what to use to remove debris while considering the fish and wildlife in the area. The task force has been in contact with individuals who assisted with cleanup after Hurricane Katrina to learn the strengths and what is allowed. FEMA provides grants to eligible applicant requests and is establishing this process.
- 11. Paul Printous stated that 60,000 people have registered with his agency. The recovery center had 370 visitors yesterday and has had 6,000 visitors since it opened.
- 12. Chris Welch who is working on infrastructure restoration stated that he has been working closely with UTMB.
- 13. Eddie Fisher, Coastal Director for the General Land Office ("GLO") introduced his staff and distributed information attached as Exhibits "F" and "G." Mr. Fisher stated that 200 CD's are available. Mr. Fisher referred everyone to the GLO's website, GLO.State.US. There is a 4.5 temporary line of vegetation. Arial pictures of this are taken annually. Mr. Fisher encouraged everyone to check the website next week for further updates. Without a line of vegetation, the City could not issue permits; therefore, the temporary line was established so that the City could move forward without having to wait for the vegetation to recover. Emergency rules, which were issued by the City, are on the GLO's website. The rules include replacing access stairways and making houses habitable. Neither concrete nor sand can be installed at this time. The GLO must follow the law and is trying to find a solution for property owners. The rules allow for clay to be used under the house footprint as long as the clay is covered with beachfront sand. The GLO is working to re-establish the roads and other access. TxDOT has stated that if tubes are intact, then they can be repaired. The recovery is a slow process, and everyone is learning during the process. Debris will be removed from the beach. Sand will be screened, and returned to the beach. If tubes are damaged, TxDOT will not address them right away because damaged tubes are not threatening. Beach nourishment projects require 2-3 million cubic yards of sand. Mr. Fisher stated that he was thankful for the foresight of leaders who built the seawall. The area from 10th Street to 61st Street has timbers that can be compromised if they become exposed; therefore, work on these will begin in November. This work will require a half million cubic yards of sand. Most of the work will be done considering the sea turtles and should be completed before the turtle season in April, 2009. Once this project is complete, then FEMA will provide coverage for it should a catastrophe like this happen again.
- 14. Michael Lemonds with the GLO stated that he is working with the bay and estuary bay lands. Soon after the storm, the commission issued letters to bayfront landowners stating that piers, pilings, docks, and bulkheads could be rebuilt. Authorization to rebuild a structure will be handled until 2009 through the office that can be contacted at 281-470-1191.
- 15. John Gillen with the GLO stated that he has been inspired by the resilience of the Galveston residents. Mr. Gillen stated that \$39,000,000 is available to assist with the removal of beach debris and that progress is being made as quickly as possible.
- 16. Others present included individuals from Washington, D. C., and the Congressional District, Commissioner Patterson, Senator Welch Tal Falls, and the Governor's Office.

C. Other Information and Presentations

- 1. The Litigation Grant Team in Austin has ordered buyouts. If a property is far out on the beach, this is an option. Local government must provide 25% of the buyout. There is a state program for relocation of a house. A coastal erosion program will grant \$50,000 to relocate a house. This is a reimbursable program, and an application must be submitted. The storm surge was bad and caused half of the sand to go to the water lands. The water was so high that it extended the depth of closure so that major projects will be needed.
- 2. Dan Barnhart, an owner of front property, mentioned the Hazard Mitigation Program. There must be a scope of work (for example, the first two rows of all of the beaches). The property owner is then "bought out" and moved. An appraiser and independent contractor prepare the information for the grant application. The next step is to make contact with the City Council. The application then goes to the City Attorney for review and approval. Karen Mahoney is the City Council contact person for this.
- 3. Jeri Kinnear reported for the Parks Board. The Board's main job is to address tourists and the beach. During the first 24 hours of the storm, the beach patrol, firefighters, and police officers were rescuing people from the rising water. These individuals deserve much gratitude for their work. Debris has been picked up along the seawall. Stewart Beach lost stairs. Pocket parks had damage. Nothing downtown is open. There is \$1,000,000 left from a bond for 2009, and these funds will be used for recovery. The Board is working on a permanent solution to erosion.
- 4. Marie Garrett and Bruce Rinehart reported on the new shoreline project revetment. Please see Exhibits "G" and "H" for further detail. The goal is to keep this from happening again. The plan is to have vegetation on each side. Ms. Garrett can be contacted at 409-256-4578 or mgarrett@coastalsolution.com
- 5. Sidney McClendon presented a resolution of the WGIPOA Board of Directors. Please see Exhibit "I" for this resolution. Mr. McClendon stated that it is in everyone's interest to protect Galveston Island. The island and the beach need to be renourished.
- 6. Other miscellaneous handouts were provided at the meeting but are not deemed necessary to attach to these minutes.
- 7. Jerry Mohn and Marie Garrett discussed the 4B sales tax. Please see Exhibit "J" for further detail. Both Mr. Mohn and Ms. Garrett encouraged everyone to vote in favor of the 4B sales tax. Of the sales tax, 1/8 cent is for jobs, 1/8 cent is for streets, 1/8 cent is for parks, and 1/8 cent is for the beach. Early voting polling locations include the Old Courthouse, Justice Center, and Alma Elementary School.
- 8. Roger Bush with the Small Business Association discussed loans for homeowners, renters, and churches. Please see Exhibit "J" for further detail.

Jerry Mohn adjourned the meeting at 12:20 p.m. stating, "We are back."

Acting Secretary-Janet Hampton