

Galveston County WCID#12

524 Cien Road
Kemah, Texas 77565

March 10, 2020

Dear Friends & Neighbors:

FIRE FEES. In 2001, the citizens of our Water District approved a Fire Plan that included monthly fees added to the water bills to support the operations of the Kemah Volunteer Fire Department. There are two types of Fire Fees based on the type of structure located on the property. Residential structures or use are assessed 1 Fire Unit. Commercial structures are assessed 1 Fire Unit per 500 square feet unless the structure is sprinklered and then 1 Fire Unit is assessed per 2000 square feet. Residential structures whose use has been switched to another use, commercial, is assessed per square footage. Hotels, motels, RV parks and apartments are assessed 1 Fire Unit per room or per unit with an 80% occupancy factor. Additional space associated with these businesses is assessed on the commercial square footage basis. Currently, the Fire Fee is \$10.00 per Fire Unit.

FIRE FEE MESS. Historically the KVFD had a person that notified the Water District concerning the number of units per connection. Easy for residential uses but much more difficult for commercial buildings. At some point, that process was abandoned. I attended a number of ESB meetings starting in 2018 and this subject was discussed at almost every meeting. The ESB under former Mayor Carl Joiner took no action.

As President of the ESB, I obtained a printout of the Fire Fees currently being billed. After review I found an extra \$ 85,000.00 in annual Fire Fees that were not being assessed and there is probably some more that have not been found yet. The staff at the Water District continues to review the accounts to get them correct. Everybody needs to pay their fair share. The list is still being checked, rechecked and audited. All errors will be corrected.

FIRE FEE MATHEMATICAL PROCESS: We use the square footage numbers that are available online at the Galveston Central Appraisal District. The formula: Total Square Footage (heated and cooled or enclosed) divided by 500 or 2000 depending on whether sprinklered or not equals the Fire Fee Units for that location.

FIRE FEE VIDEO: There has been a critical and false online video post concerning the Fire Fee. In that video post a citizen stated: "We have been here in Kemah since 2008 then all of sudden we have this giant change in our bill. From \$10.00 per month to \$510.00 per month is a significant change. Basically we are being forced to carry to us which is an unfair portion of the fire department bill." This citizen is occupying a

building that contains 25,500 square feet and is valued at \$ 820,210.00 and has been apparently been paying a \$10.00 per month Fire Fee, the same as any homeowner in the WCID#12 Water District. This citizen's building qualifies for 51 Fire Fee Units so his Fire Fee should be \$510.00.00. He has underpaid, not his fault, the Fire Fee since 2008 by an estimated \$51,000.00.

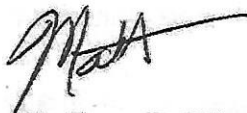
The Fire Fee was raised from \$7.00 to \$10.00 by the Water Board in March, 2018 at the request of former Mayor Carl Joiner, the President of the Emergency Services Board at the time. The Water Board implemented the requested Fire Fee rate increase. When elected President of the ESB last summer I discovered the KVFD had over \$1,300,000.00 in debt which is entirely too much. \$1,000,000.00 of that is for a new ladder truck Mr. Joiner wanted that was not needed or necessary. Once we have a workable financial model for the KVFD as part of our 20 year plan the Fire Fee will be reduced.

The September Water Board meeting did not change the Fire Fee rate, but added RV Parks to the rate order. The Fire Fees assessed to our citizens and businesses had a number of errors. At the time that I examined the list the Shoppes at Kemah were each paying \$10.00 per month. The obvious changes on the commercial list paying \$10.00 were addressed based on the information on hand at the time. The Boardwalk Inn's Fire Fee was not reduced as reported in the online video post.

Due to the misguided, erroneous and outright lies in the video post, I asked the WCID#12 Board to hire an outside accounting firm or law firm to examine all of my accounts for the last 10 years to determine if there has been any wrongdoing associated with my accounts.

Your Water Department is here to serve you. All of the funding is provided by you and the Water Board is here to make sure that we get our money's worth out of the resources that we are provided. The Water Board meets monthly on the 3rd Monday at 7:00 pm at the Fire Station. We would love to have you. If you have any suggestions or see any problems, please text me at 832/721-8031 or email me at mattwiggins@me.com so I can forward it to the person that is going to take care of the problem.

Regards,



Matthew D. Wiggins, Jr.
President