

# **Minutes of the Special Called Meeting of the White Bluff POA Board of Directors**

Location: Lone Star Room - White Bluff Resort, Lake Whitney, Texas

Date: August 11, 2018

Time: 11:00 AM

## **1. Call to Order**

The meeting was called to order at 11:00 AM by Leonard Critcher, President of the Board of Directors. A quorum was confirmed with seven board members present (Leonard Critcher, John Bass, Jim Fletcher, Jeff Williams, Roy Miller, Mike Ellis, and Joe Manders). Marshall Snyder was absent, but had assigned his proxy to Jeff Williams. Jay Elder was not in attendance, but had assigned his proxy to Leonard Critcher.

## **2. Adjournment into Executive Session**

The meeting was adjourned to executive session to discuss confidential litigation and personnel issues.

## **3. Reconvene to Open Session**

The Board reconvened to open session at 1:05 PM. Leonard Critcher, John Bass, Jim Fletcher, Jeff Williams, Roy Miller, Mike Ellis, and Joe Manders were present.

## **4. Open Forum**

### **a. Discussion of Agenda Items**

Property owners in attendance were given an opportunity to discuss agenda items. None of the property owners present at the meeting requested an opportunity to discuss any of the agenda items.

### **b. Questions for the Board**

Property owners were given an opportunity to ask questions of the Board. No one in attendance posed questions for the Board.

## **5. Agenda/Discussion Items**

### **a. Summary of Executive Session**

- President Critcher reported the Board approved the conditional hiring of Gregg Fjelland as the new Golf Course Superintendent upon the closing of the purchase of assets from Double Diamond. Mr. Fjelland has a very extensive background in construction and agronomy as well as golf course management. He currently works as superintendent for a golf course in New Mexico.
- The Board adopted a policy of requiring a unanimous vote by all Board members for approving matters via email. If one or more board members vote no on a matter, that matter must be placed on a Board meeting agenda for consideration and a possible vote.
- Legal counsel for the WBPOA informed the Board that variances cannot be granted by the Board under the current CC&Rs.

- Closing on the acquisition of assets from Double Diamond will be delayed by two weeks as the land surveyors attempt to complete needed surveying of the properties that will be purchased.
- Preliminary assessment work has begun on the condos and log cabins to be acquired from Double Diamond by the WBPOA. Mr. Critcher emphasized that lodging needs to be made available for rental by property owners and guests as soon as possible. The hotel will require more extensive work and will be addressed after the condos and log cabins have been updated.
- Three subcommittees of White Bluff property owners are evaluating assets to be acquired from Double Diamond. These include (1) the Spa and Fitness Center, (2) dining facilities including the Lighthouse and Trophy Grill, and (3) the Marina and Marina Store.
- The Board has authorized the formation of a Volunteers Committee to assist with cleanup and work on the assets after closing. This committee is headed by Travis Bryan and currently has 41 members. If property owners are interested in joining the committee, please email Travis at [travis.bryan831@gmail.com](mailto:travis.bryan831@gmail.com).
- The Board discussed possible future structures for managing food and beverage operations as well as lodging. Input will be sought from the subcommittees as well as FirstService Residential prior to making any decisions on a management structure.

b. Board Ratification of Board Email Decisions

The following Board decisions were approved via unanimous email votes by Board members

- i. Authorized expenditure for obtaining core samples of the golf course greens for analysis. Approximate cost was \$5,000.
- ii. Authorized the hiring of a mechanic for golf course equipment.
- iii. Authorized the hiring of an assistant mechanic for golf course equipment.
- iv. Authorized FirstService Residential to employ additional employees for golf course maintenance.
- v. Authorized the expenditure of \$2,200 for cleanup of the cart barn oil equipment.
- vi. Authorized the purchase of two irrigation control radios and four walkie-talkie radios for \$1,400.
- vii. Authorized the expenditure of \$19,800 for a pump, variable flow drive, control panel, and a contractor for the auxiliary pump for the New Golf Course.

**Roy Miller moved and Jeff Williams seconded a motion to ratify the above items. The motion passed unanimously on a voice vote.**

- viii. Report from POA General Manager Duane Dauphin

- Mr. Dauphin offered a huge *Thank You* to Jimmy, Henry, Juan, and the others on the Grounds Maintenance Team for the extra effort getting the lake pumps and the two pump houses operating six weeks ago.
- GM Dauphin said that experiencing the startup of the lake pumps on June 21st after Mr. Watson coordinated the efficient repairs of these pumps was probably one of his best days here at White Bluff. Community members including Richard Ashley, Chief Corbin, Mr. Watson and his staff were all there contributing their professional assistance. Kathy Corbin drove one of the fire trucks to deliver water needed to prime the pumps. Over 54,700,000 gallons of water have been pumped since June 21st.
- Mr. Dauphin recognized Chief David for year to date zero turnover of full-time associates and only a couple of part-time employees in Security. This is truly an indication of David's dedication to management, his staff, and White Bluff.
- Compliance and violation reporting are ongoing. 2018 YTD: 173 violations have been sent; 134 have been corrected; 39 are open.
- White Bluff Security is certified by the Texas Department of Safety under the FirstService Residential license.
- Reflective photo eyes were installed at the front gates to continually try to prevent vehicle damage to cars when the gate malfunctions or improper tailgating occurs.
- Chief David will take the lead in OSHA compliance. He is working with Jimmy and the staff to identify issues and get them corrected.
- A lot of focus has been devoted to the golf courses and equipment during the past 45 days. Terry Ehrhardt has headed this effort in her role as Interim Golf Course Superintendent. Mr. Dauphin said that Terry has been a tremendous asset.
- Approximately 1,017 3rd notices for maintenance fee payment delinquencies are being prepared and will be sent out soon. Each will be accompanied with a second page of three personalized payment plans available to property owners.
- A significant amount of painting of POA-owned properties has been completed in the last two months. These include Security, the Covered Bridge, RB Bathhouses, mail centers, and Ash Pool.
- All of the arbors at the three POA pools have been paint stained.
- The floors at Bear Creek and Waterfall Pool have been scraped and freshly painted with a nonskid paint.
- The POA maintenance team has taken over the maintenance of The Highlands Pool and the grounds around it as well as The Highlands front entrance. The Highlands POA will reimburse the WBPOA for these maintenance services.
- Tree trimming is becoming a daily task with minimum height over streets and a good line of sight at intersections.
- A large tree with suspected Oak Wilt on Crestridge and Ash has been removed by a professional tree company contracted by the property owner.
- Irrigation repairs are ongoing with the dry summer.
- A lot of hand watering has been required due to the inability to pump water to the front gates irrigation system.
- Individual work orders are processed daily as all staff keep their eyes open and practice our values of "owning it and improving it."

ix. Discussion of Providing Property Owner ID Cards  
**John Bass moved and Roy Miller seconded to table the discussion and any action on this item until a future meeting. The motion passed unanimously on a voice vote.**

x. Board Ratification of the POA Fine Policies  
A fine policy for violations has been developed by the WBPOA and FSR. A copy of that policy will be posted on the POA website ([www.whitebluffpoa.com](http://www.whitebluffpoa.com)). **Jeff Williams moved and Mike Ellis seconded to adopt the fine policy. The motion was approved unanimously on a voice vote.**

xi. Financial Report - Jeff Williams, WBPOA Treasurer  
Mr. Williams reported the WBPOA is in a good financial position with more than \$4 million in its account. Most of this has been budgeted including the \$1.25 million down payment on the asset purchase from Double Diamond, renovation of amenities, and operating expenses.

At the end of 2017, the POA collection rate on maintenance fees was approximately 60%. As of the end of June 2018, the rate had risen to 72%, which did not include collections in the month of July. Mr. Williams pointed out that some property owners opt to pay prior to July 31st instead of paying by June 30th.

xii. Greens Committee Report - Interim Golf Course Superintendent Terry Ehrhardt  
The Greens Committee recommended that Gregg Fjelland be hired as the new Golf Course Superintendent. The committee interviewed five candidates over the past month. Gregg has considerable construction experience and a strong agronomic background. He is currently working at Outlaw Golf Course at Alto Lakes in New Mexico. He will be on the job in White Bluff two weeks after the WBPOA and Double Diamond close on the sale of assets.

Old Golf Course irrigation report - All gate valves have been replaced: repaired 6" main in 12 green side bunker; five 4" valves on 3, 4, 5, 13, and 15; two 6" valves on 12 tee and 12 green; and, one 2" valve on 15.

On the new course, one 2" valve was replaced on 14.

All greens heads are working and control boxes and panels are in good working condition. Terry does not foresee any major problems going forward in this area.

New Golf Course irrigation report - Terry anticipates installation of new VFD, control panel, and auxiliary pump the week of August 20th. She is in contact with PTP and Watertronics weekly to attempt to obtain the parts needed sooner.

All grass on the courses has been mowed to 2.5", and mowing to 2" will begin this week.

Cleaning out of Old Course greens drains will begin this week.

Fall overseeding plans - Both range tee tops and target greens will be overseeded with rye grass around October 30th. The cost will be \$50.00 to \$60.00 per bag. The amount will be determined after the square footage calculations are finalized.

Cleanup and environmental waste - Terry contacted Brazos Environmental and Safety Kleen. Safety Kleen will pump out the Lube Cube and various barrels around the property once they verify the contents. The cost to remove old barrels could be as high as \$60.00 per barrel due to their condition. Terry will contact Brazos Environmental when the barrels are removed so they can remove them from their cleanup list. They will also remove the old tires and some fertilizer at the New Golf Course cart barn. Most fertilizer can be used and maintenance personnel will begin that process soon.

ISTRC greens report results - Recommendations and findings from the lab that tested core samples from the golf course greens include: (1) removing the top 4" of each green, which contains no organic matter; (2) tilling down to 8" with a 60/40 greens mix (60% organic matter from peat moss); (3) percolation rate was the highest ever found by the test lab; and (4) the lower 4" of the 8" depth is in good condition and gravel layer is as well.

Fleetwood Construction - Terry contacted Robert Fleetwood as a certified Better Billy Bunker installer. He and Terry toured the courses, and he will provide a price for fairways bunkers as soon as square footage is determined and the type of sand is confirmed. Terry should receive estimates very soon.

Morris Brown sells Champions Bermuda grass and can install the grass on the greens as soon as closing documents are signed for the purchase of the golf courses. He will require about 30 days before he can begin to plant. Terry and the maintenance crew will make a heavy application of Round-Up prior to planting. Mr. Brown will plant all 39 greens and include laser leveling of all tee tops at no additional cost. The POA golf course maintenance crew will have to overseed the greens through the winter, which is not included in Mr. Brown's price.

Equipment - Terry contacted Pat Brown with Toro and will contact Jacobsen this week regarding replacement golf course maintenance equipment. Terry recommended the POA consider leasing equipment for four years instead of making purchases. The Toro and Jacobsen representatives will evaluate the equipment the POA currently owns, evaluate the cost of equipment needed, and apply the value of existing equipment toward the lease of new equipment.

Personnel request - Terry requested the Board approve the hiring of an assistant golf course superintendent immediately at a pay rate of \$20 to \$22 per hour. Once the purchase of assets is finalized, she recommended moving that person into a salaried

position. The reason for the hire is the need for skilled labor in the use of chemicals, fertilizers, irrigation, mowing, etc. Terry does not have the time to train someone who lacks these skills.

**Jim Fletcher moved and John Bass seconded the hiring of an assistant golf course superintendent. The motion passed unanimously via voice vote.**

xiii. Business Development Advisory Committee Report - Scott Shelton (Presented by Leonard Critcher)

The full committee met for the first time a little over two weeks ago. Three subcommittees were formed and staffed: (1) The Lighthouse/Trophy Grill, chaired by Mark Hepsworth; (2) Marina/Marina Store, chaired by Mike Bell; and (3) Spa/Fitness Center, chaired by Ed Bercier. All three subcommittees held numerous meetings and began pursuing their tasks. The following is a short summary of current status on some issues and matters of discussion. These subcommittees will continue to work with the Board, where appropriate, on the due diligence efforts.

Lighthouse/Trophy Grill - An initial review of the facilities has been completed and the initial reaction to condition is fairly positive. Reviews of the facilities have been made with certain third party experts to enable discussions about their thoughts regarding the best way to use the assets. The three main areas being considered are the Trophy Grill, the Lighthouse bar, and the Lighthouse restaurant. One current thought is that the facilities may be opened in sequences as other facilities are opened. In addition, there are a lot of ideas being pursued by the subcommittee.

Marina/Marina Store - The main effort currently involves working with Marshall Snyder who is heading up the effort to get Corps of Engineers (COE) approval of the assignment of the lease to the WBPOA. A previous inspection by the COE revealed various problems. Part of the effort is to ensure all those problems have been corrected. A facility review continues to confirm exactly what is covered by the lease and confirm the COE rules regarding operations in those areas. The slip area seems to have a positive cash flow at this point, but there seems to be opportunities to further enhance that. Meetings are planned with other similar marinas in the area to identify best practices. Many ideas are being considered for the operation of the store.

Spa/Fitness Center - On-site visits have been conducted with a White Bluff resident who also operates a fitness center and with the owner of a new/used fitness equipment operation. The outside of the building needs some repair, which will be jointly considered with the Board during due diligence. The internal condition looks fairly good. Three separate areas have been found consisting of (1) a spa, which includes a lunch room and modern refrigerator, and other spa facility areas, (2) a salon with two chairs, one shampoo station, nail and foot area, and related areas, and (3) the fitness center. The fitness center currently includes six cardio machines, only one of which is working. Nine pieces of strength equipment in the center all seem to be usable. Information is being collected to determine the cost of acquiring

new cardio equipment. Again, many ideas are being considered for the best uses of the facilities.

xiv. Volunteer Committee Report - Travis Bryan, Chair

A total of 41 people have signed up on the committee. Members will assist in cleanup efforts as the new assets are acquired. To date, the members of the committee have trimmed the trees on the golf course cart paths. Interested property owners can join the committee by emailing [travis.bryan831@gmail.com](mailto:travis.bryan831@gmail.com).

**Roy Miller moved and John Bass seconded to approve the official list of volunteers presented to the Board. The motion included an affirmation of the Board's understanding and the application of Section 3.2 of the Asset Purchase Agreement (APA) with Double Diamond with regards to the authorized volunteers and their activities. The motion passed unanimously on a voice vote.**

c. Discussion of Beginning Maintenance of the Rustic Pool and Pavilion

Double Diamond provided a temporary agreement for the WBPOA to begin maintenance of the Rustic Pool and Pavilion prior to closing. This agreement permits access to and use of the pool and pavilion by property owners, as well as for the POA to rent these facilities for special occasions such as birthday parties. **Mike Ellis moved and Jeff Williams seconded to accept the proposed temporary agreement and begin maintaining the Rustic Pool and Pavilion. The motion was approved unanimously by voice vote.**

d. Rental Charge for Using the Lone Star Room

A proposal that a rental fee be charged for use of the Lone Star Room was presented. The proposal included the following.

- Non-White Bluff Property Owners - A rental fee will be charged in the amount of \$100 plus a \$50 cleaning deposit.
- White Bluff Property Owners - A rental fee of \$50 plus a \$50 cleaning deposit will be charged.
- White Bluff social events held for the good of the community will not be charged a rental fee.
- WBPOA functions - No rental fee will be charged.
- Other provisions - The time for use of the Lone Star Room shall be reasonable and not exceed four (4) hours per rental.
- The Lone Star Room must be left in the same condition as it was prior to a function.
- If cleaning is necessary, a cleaning fee in the amount of \$50 will be charged.
- If physical damage to the room and or theft of items occur, the person(s) making the reservation will be charged for the repairs and/or damage.

**Jim Fletcher moved and Roy Miller seconded to adopt the rental charge proposal for the Lone Star Room. The motion was approved unanimously on a voice vote.**

e. POA Expense for a Dumpster

The POA monthly expense for the trash dumpster last month was \$1,773. The dumpster has become a dump site for everything including construction debris. The purpose of the

dumpster when approved by the Board was for weekend residents to dispose of household trash and not for the disposal of other kinds of refuse.

**Jeff Williams moved and Roy Miller seconded to remove the dumpster from behind the New Course cart barn. The Board approved the motion unanimously on a voice vote.**

f. Burn Pit Security

A brief discussion of burn pit security was presented. **John Bass moved and Jeff Williams seconded to table this issue until after the closing on the asset purchase from Double Diamond. The motion passed unanimously on a voice vote.**

g. Posting Pool Safety Signs Provided by Cook Children's Hospital

Cook Children's Hospital offered to provide free safety signs for each of the White Bluff swimming pools. **Jim Fletcher moved and John Bass seconded to accept and post these signs in each pool area. The motion received unanimous approval on a voice vote.**

h. Computer for the Golf Course Superintendent

A computer is needed for the Golf Course Superintendent for record keeping, work orders, emails, and other administrative duties. The cost will be \$3,000 plus \$100 per month in support charges. **Mike Ellis moved and John Bass seconded to approve the computer purchase and support charges. The Board passed the motion unanimously on a voice vote.**

i. Report from the WBVFD - Chief Hugh Corbin and Assistant Chief Clint Herrin

- Fire lanes - Chief Corbin requested that fire lanes be established on properties owned by the POA to help assure that fire trucks can be driven into these properties if a fire should occur. **John Bass moved and Jim Fletcher seconded to install fire lanes on currently owned WBPOA properties as well as those acquired in the future. The motion passed unanimously on a voice vote.**
- Access to properties being acquired - Chief Corbin requested access to properties the POA will be purchasing from Double Diamond for the purpose of inspecting them and providing information to the POA regarding fire safety measures. Mr. Critcher assured Chief Corbin that access will be possible after closing of the purchase.
- Stand pipes for new construction - Chief Corbin recommended the Board adopt a policy that metal stand pipes be required within 500 feet of all new construction. Their purpose is for WBVFD water access in case of a fire. **Joe Manders moved and John Bass seconded to adopt a policy to require the installation of metal stand pipes within 500 feet of all new construction. The Board unanimously approved the motion on a voice vote.**
- Opening the dead-end of White Bluff Drive at the Cascade Pool - Chief Corbin recommended the opening of the dead-end of White Bluff Drive to provide fire truck access to the Lighthouse and Cascade Pool in case of a fire. The owner of the property at the dead-end sent a letter to the Board supporting this proposal. **John Bass moved and Jeff Williams seconded a motion to table this issue until a later**

**meeting. The Board unanimously approved the motion to table this issue on a voice vote.**

- Increase of \$50 per semi-annual billing cycle for Homeowner Occupancy Fees - Chief Corbin explained the importance of the ISO rating of the WBVFD to keeping insurance rates low for White Bluff homeowners. The ISO rating is partially based on the equipment owned and operated by the WBVFD. Funding for equipment continues to be a challenge, and WBPOA contributions to the VFD have not been increased in several years. **John Bass moved to increase Homeowners Occupancy Fees by \$50 per semi-annual billing cycle beginning in January 2019 for the purpose of providing these funds to the WBVFD. The motion died for lack of a second.** A brief discussion by members of the Board following this motion included a suggestion that all funding issues should be considered together during the Board's budget discussions that will be held in October. **Jeff Williams moved and Roy Miller seconded to table this proposal until the budget work session. The motion carried unanimously on a voice vote.**

## **7. Adjourn**

The meeting was adjourned at 3:05 PM by Leonard Critcher, President.