

October 24, 2016

TO: White Bluff Property Owners
FROM: Your Board of Directors
Leonard Critcher, President
RE: Summary of Quarterly Board Meeting

**Summary Minutes of the White Bluff Property Owners Association
Open Meeting, October 17, 2016
Prepared by James E. (Jim) Fletcher, Board Member**

1. Call to Order

Leonard Critcher, White Bluff POA (WBPOA) Board President, called the meeting to order at 11:30 AM Central Time. Four board members were present: Leonard Critcher, Terry Newman, John Bass, and Jim Fletcher. Wayne Findley and Ron Roberts were absent. Mr. Critcher announced a quorum.

2. Executive Session

The POA Board immediately adjourned into Executive Session. The board discussed issues related to compliance with C&Rs, legal issues, and administrative services. The executive session was adjourned at 12:45 PM.

3. Open Session

Open Session was convened at 1:02 PM. Four board members were present: Leonard Critcher, Terry Newman, John Bass, and Jim Fletcher.

4. Summary of Executive Session and Other Comments - Leonard Critcher

Mr. Critcher presented a summary of the Executive Session for the POA members in attendance.

- a. The case brought against Double Diamond, Inc. and WBPOA by property owners in Dallas County and Hidalgo County is on hold pending transfer of the case from Hidalgo County to Dallas County, which the courts ruled is the correct venue for the case.
- b. The WBPOA lawsuit against Double Diamond, Inc. is still pending.
- c. The Board is moving forward with identifying a management company to provide administrative services to WBPOA. This item was discussed in more detail later in the open session.
- d. Mike Ward's proposal to property owners that he mentioned at the WBPOA Annual Meeting in May is still pending.

5. Open Forum

Mr. Critcher informed attendees that Open Forum would be limited to 4 minutes per speaker and a total of 20 minutes. Attendees were allowed to ask the board questions, and the board attempted to answer those questions.

- a. Marshall Snyder presented a report from the ACC on building codes, truck weight limits, and other related matters.
- b. Jerry Barnett requested that the Board reconsider the \$100 per year charge for properties with homes that are not subscribed to the weekly refuse pickup service.

6. Discussion/Action Items

a. Board Action on the ACC Recommendations Jim Fletcher moved and Terry Newman seconded approval of the ACC's recommendations presented by Marshall Snyder. The motion passed unanimously.

b. Third Quarter Budget Report - Fred Molsen, General Manager

The WBPOA is approximately \$900,000 under budget through September 30, 2016 (end of the third quarter). Mr. Molsen stated that most funds will likely be available at the end of the budget year (December 31, 2016). He projected the total annual savings will likely exceed \$1 million by December 31st.

c. Property Thefts/Breaking and Entering - Fred Molsen, General Manager Fred Molsen reported that only one recent break-in occurred in White Bluff, which was on White Bluff Drive. The perpetrators were friends of the children who reside in that home and these individuals were apprehended. He clarified that WB security staff members are trained to observe and report. Arrests are the jurisdiction of the Hill County Sheriff's Office.

d. Roads Committee - Milt Bergman

Mr. Bergman recapped expenditures on the roads in White Bluff. In 2013, no road work was completed, so road work was doubled in 2014 with a new contractor, North American Paving, to complete needed repairs and maintenance. In 2015, \$300,000 was spent with North American Paving. Work included patching holes and chip sealing. Some of the work completed in 2015 did not hold up, and North American found the emulsion mix they used was incorrectly prepared by their supplier. They will schedule times to rework all of the chip sealing they completed in 2014.

e. Double Diamond use of WBPOA water - Leonard Critcher

Double Diamond has been utilizing water purchased by the White Bluff POA from the Brazos River Authority to maintain the landscapes of Double Diamond properties without reimbursement to the WBPOA. Mr. Critcher worked with Double Diamond who provided meter readings taken by Danny Holt from all of their sprinkler heads showing that about 1% of the water purchased by WBPOA is used by Double Diamond. The value of this water is approximately \$1,000 per year. John Bass moved and Terry Newman seconded a proposal that WBPOA exchange the value of the water provided to Double Diamond for the use of the Double Diamond Conference Center and Trophy Grill deck area for WBPOA meetings instead of paying Double Diamond rental fees. The motion passed unanimously.

f. Proposed Double Diamond Utilities Water Rate Increase - John Bass

John Bass reported that the White Bluff Rate Payers Group (WBRPG) filed a protest with the Texas Public Utility Commission challenging the proposed water rate increase by Double Diamond Utilities. As of October 17th, a law firm and rate expert had been retained by the WBRPG to prepare the case for the challenge. As of October 17th, the WBRPG has raised \$9,000 to help pay the costs of the challenge. At the September 2, 2016 WBPOA Meeting, the WBPOA Board voted to match the funds raised by WBRPG. The initial hearing on the challenge to the rate increase was scheduled for Tuesday, October 18th in Austin before an administrative law judge. Members of the WBRPG planned to attend the hearing. Mr. Bass strongly encouraged other residents of White Bluff and Double Diamond Utilities customers to contribute to the WBRPG to help pay the costs of the challenge to the rate increase. This increase is estimated at 45% of the current rate, so customers can expect to pay 1.45 times the current price for their water if the rate increase is approved by the Texas Public Utility Commission. Mr. Bass emphasized that a \$100.00 per rate payer donation to WBRPG to help fund the challenge is far lower than the annual cost increase for water if the rate increase is approved.

g. Complimentary golf rounds - Leonard Critcher

The POA Board has provided golf rounds paid for by the POA to:

- Directors
- White Bluff Chapel's Pastor
- White Bluff Fire Chief
- Members of the ACC Committee
- Golf course employees

Leonard Critcher proposed to Double Diamond that fees for free rounds of golf be reduced to \$22.00 per round to pay only the cart fees for those individuals that receive the free rounds of golf who reside in White Bluff. Once these residents exhaust their 36 rounds of free golf they receive each year as residents, the fee paid by WBPOA will cover the golf cart rental and the cost of each round of golf. This change to the charges will go into effect on January 1, 2017. Any individual who receives free golf that totals \$600.00 or more per year will receive an IRS Form 1099 from Double Diamond. The issuance of Form 1099s will be issued for the 2016 tax year. Terry Newman moved and John Bass seconded the approval of the above proposal with the same individuals eligible for free golf rounds. The motion passed unanimously.

h. C&R Changes (Information Only - No Board Action) - Leonard Critcher Mike Ward is the legal declarant for White Bluff. He shared the following changes to the C&Rs with the WBPOA Board. No action was required by the Board. i. Landlords must provide a set of governing documents (CC&Rs) and rules to renters before they move into a property in White Bluff. ii. HOA rules and regulations must be a condition of all rental agreements. iii. Landlords are held accountable for renter infractions. iv. Renters must communicate requests to the HOA through the landlord. v. The Board may demand termination of a tenant with multiple rule violations. vi. Landlords must provide a copy of each rental agreement to ensure compliance with the HOA's standards and for emergency contact purposes.

i. Third Party Administrative Management Companies - Jim Fletcher

Three companies that provide administrative management services to home owners associations and property owners associations submitted proposals to WBPOA. Three members of the Board served as a review subcommittee to evaluate and rank the three companies' proposals. Mr. Critcher and Mr. Fletcher will work to set up a special meeting on Friday, October 28th for the two companies that were ranked first and second to make presentations to the WBPOA Board and property owners in open session. Mr. Critcher will send out an announcement regarding the time and location of the special meeting.

j. Stocking of Golf Course Lakes - Fred Molsen

Some of the insecticide used to treat turf areas for army worms leached into the golf course lakes and killed some of the small fish. Two individuals who regularly fish the lakes observed that the remaining fish population appears to be healthy and sufficient to provide good fishing opportunities. The fish population should regenerate naturally, so no restocking should be needed

The meeting adjourned at 2:01 PM.