

**Minutes of the
Special Called Meeting of the White Bluff POA Board of Directors
Invitees: Members of the WBPOA
Location: Conference Center- White Bluff Resort
Date: Saturday, December 5, 2020
Town Hall Meeting: 9:00 AM
Board Meeting Immediately Following Town Hall Meeting**

Board Meeting Agenda

1. Call to Order

Leonard Critcher, President of the WBPOA Board, called the meeting to order at 12:05 PM.

a. Confirm Quorum

A quorum of seven board members was present. Board members in attendance included Leonard Critcher, President; John Bass, Vice-President; Jim Fletcher, Secretary; Jeff Williams, Treasurer; Joe Manders; Marshall Snyder; and Gerry Mayer. Mike Ellis and Mark Hepworth were absent. They had both granted their proxy to Jeff Williams.

2. Open Forum

**a. Discussion of Agenda Items by attending members
(limited to 4 minutes per member and a total of 20 minutes)**

No property owners in attendance came forward to discuss meeting agenda items.

b. Questions for the Board

No one in attendance posed a question for the Board.

3. Agenda/Discussion Items

a. Ratification of Board Actions (see attached list)

Jim Fletcher moved and Jeff Williams seconded a motion to ratify the list of board actions. The motion passed unanimously on a voice vote.

b. Accepting Certified Audit - Jeff Williams

Mr. Williams explained the auditor is waiting on a few items from the transition to new management companies prior to certifying the 2019 audit. He does not anticipate any problems. The audit will be published on the POA website (www.whitebluffpoa.com) as soon as it is certified.

c. 2021 Operating Budget Review and Approval - Jeff Williams

The current financial condition of the POA is solvent with \$2.84 million cash on hand as of October 31st. This total amount includes \$1.52 million in operating funds and \$1.31 million in reserves. Operating expenses for the months of November and December, and payments for renovations completed in November will reduce the amount of cash on hand by the end of the year.

2020 Income statement review.

- Total revenues of \$5.162 million, about 6.6% ahead of budget.
- Golf revenues were 13% below budget due to Covid-19, and the delay in opening the Old Course until April 1.
- Food and Beverage revenues total \$180,125, 46% below budget due to Covid-19.
- Marina revenues totaled \$119,522, 1% over budget.
- Lodging revenues were \$96,878, 45% above budget.
- Total payroll expenses are slightly below budget.
- Total other expenses were 3% below budget.
- Total cash flow YTD (year to date) \$312,589, above the 2020 budget before adding to reserves.

2021 Projected Revenues:

- Projecting modest growth in golf rounds, and budgeting slightly higher rates. Still projecting only a 14% increase in golf revenues based on the uncertainties surrounding Covid-19.
- Roughly a 10% increase in Marina revenues based on higher rates.
- Projecting flat lodging revenues because of Covid-19.
- Food and Beverage projecting only a 5% year over year increase because of COVID-19.

- Overall, we have been extremely conservative in budgeting revenues for 2021.

2021 Projected Expenses:

- Projecting payroll increased costs of slightly more than 3%.
- Projecting operating expenses flat year over year.
- Projecting 5% increase in fixed charges, primarily in utilities and insurance costs.
- 2021 debt service payments will increase significantly as we move from an interest only payment to a 20-year amortization schedule. Total annual debt service increases by \$103,641.

In summary, netting revenues and expenses, and assuming that we have capital improvements costs of 3% of revenues, we will just about break even from a cash flow perspective in 2021. If revenues are higher as Covid-19 wanes, we could produce higher cash flows that would allow us to add to our reserves.

Jeff Williams moved and Gerry Mayer seconded a motion to approve the proposed 2021 WBPOA budget.

A copy of the 2021 WBPOA website is posted on the POA's website (www.whitebluffpoa.com).

d. Marina Repairs & Improvements

Improvements made during 2020 include:

- Addition of new rock on the peninsula south shore, the boat ramp, and ramp shoreline to prevent shoreline erosion
- Rebuilt 10 rusted winch stands
- Refurbished 6 winches and replaced steel cable
- Reset the anchors for the marina
- The concrete ramp for Dock 3 has been rebuilt, and the other three will be rebuilt as the weather permits
- All four metal ramps have been fitted with flotation devices to assist in repositioning the ramps
- 16 new boat ramps have been approved for addition to Dock #1.

e. Transition from DDU to Midway- John Bass

The new water and sewer rates have been implemented and are reflected in each ratepayer's monthly bill. Midway Water Utilities Company owes ratepayers a total of \$690,000 for past overcharges made by Double Diamond Utilities. The Texas Public Utility Commission is considering a proposal to credit each ratepayer's account with the total amount owed, then debit monthly charges from that credit until that credit is exhausted. Thus, a ratepayer will not owe a monthly utility payment until their credit is exhausted. The proposed start date is February 2021 pending PUC approval.

f. Status of Capital Expense Items 2020- Bill Finney

Hotel – The exterior of the building needs to be stabilized to halt further deterioration.

Lighthouse Restaurant – The exterior restoration has been completed.

Conference Center – The exterior restoration has been completed.

Fitness Center, Spa and Salon – Exterior work has been completed. Work on the inside is nearing completion, and the facility should be ready to open shortly. Mr. Finney is working with a person who is interested in leasing the spa.

Golf Course bridge replacement – The replacement of the bridge was a safety issue, and the work has been completed.

Tree safety issue – Trees have been trimmed and dead ones removed.

g. Fitness Center

Rates – Proposed rates for Fitness Center memberships were \$30 per month for an individual and \$60 for a family. Memberships would be payable on a 6 month or 12-month basis.

Marshall Snyder moved and John Bass seconded a motion to adopt these rates. The motion passed unanimously on a voice vote.

Access by non-property owners and rates – The Board discussed Fitness Center access for non-property owners. Bill Finney recommended granting access only to property owners until demand for the facility is established.

John Bass moved and Gerry Mayer seconded a motion to limit Fitness Center access to only property owners who purchase a membership. The motion passed unanimously on a voice vote.

h. Report on acquisition of DD's lot inventory and other assets

All Double Diamond lots and the Sales Office in White Bluff have been sold.

i. Board Policy on Foreclosure of Delinquent Homeowners

The following is the current POA maintenance fee schedule and delinquency policy.

Maintenance Fees:

Maintenance fees are on a sliding scale, paid semi-annually.

1 lot: \$525

2nd lot: \$262.50

3rd lot: \$131.25

4th lot: \$65.62

5th lot: \$32.81

6th + lots: \$1.00/each

When billed, the total cost for all lots is split by the number of lots.

1 lot: \$525/each

2 lots: \$393.75/each lot

3 lots: \$306.25/each lot

4 lots: \$246.09/each lot

5 lots: \$203.44/each lot

6+ lots: \$1.00/ each additional lot to No. 5

Home Occupancy Fee: The Home Occupancy Fee is an additional fee that is charged to owners with homes within White Bluff. A portion of this is dedicated to the White Bluff Volunteer Fire Department. \$40,000 is paid directly to the WBVFD, and an additional \$60,000 is put into a reserve account for their long-term capital needs (i.e. equipment replacement).

Collections:

Maintenance fees are considered late if not received by January 31st and July 31st. Each month a balance remains on the account, the owner is charged a \$10 late fee, \$20 handling charge and an 18% per annum late interest. The following steps are taken on accounts not paid by the deadline:

1. Within 30 – 45 days of delinquency: Initial collection letter is mailed out via first class and certified mail notifying the owner of pending collection activity on their account.
2. 60 – 75 days delinquent, A letter is mailed to the owner notifying them they have 10 days to pay otherwise the Association will file against their credit bureau and any related fees will be charged to their account.
3. 90 – 105 days delinquent: Credit bureau report has been filed, \$59.54 has been applied to the delinquent account and notice has been mailed to the owner.
4. 120 – 135 days delinquent: A title search is ordered & the owners account charged \$90.00*. Upon receipt of the title search, a letter is mailed to the owner informing them of this action and if payment is not received within ten (10) days an assessment lien will be filed with the county & the associated cost charged back to their account.
5. 150 – 165 days delinquent: If payment has not been received within ten (10) days, a letter is mailed to the owner notifying them a lien is prepared, filed with the county and the fee of \$204.52* had been charged to their account. Upon payment in full a notice of release of lien will be processed & filed in the county at no additional charge.
6. 190 – 200 days delinquent: With prior board approval, we will forward the information to the Association's attorney for small claims suit and/or foreclosure.

If a balance is due, Associa (on behalf of the POA) offers the following standard payment plan:

The standard payment plan is 25% down and payout over 6 months. There is a \$20.00 handling charge per month you are on the repayment plan. To enter into a payment plan, please send your request in writing to ntxcustomer@associa.us

If this will not work with an owner's budget, they are invited to present a payment plan to the board for consideration.

Joe Manders moved and John Bass seconded a motion to adopt the collections policy. The motion passed unanimously.

j. Special Assessment

The Board discussed the need for a special assessment to pay off the \$3,550,000 debt owed to Double Diamond for the purchase of the White Bluff amenities, and to pay for the renovation of some of the remaining amenities. Jeff Williams reviewed income and expenses in the earlier discussion on the POA budget. He emphasized the POA does not have sufficient cash flow from current POA revenues to pay for additional amenity renovations. Thus, a special assessment is needed to (1) eliminate the POA's debt, and (2) provide funds to continue renovations.

Even with a special assessment, funds will not be sufficient to complete the reconstruction of White Bluff roads, estimated by the POA's engineering firm at \$13 million. Reconstruction of the roads will require long-term debt financial through a financial institution that specializes in loans to homeowner and property owner associations. Two of the key criteria that a POA must meet to receive a loan are:

1. No debt or a debt load that is manageable with the association's revenues.
2. A high collections rate from property owners.

The proposed special assessment will satisfy the first criterion, and on-going efforts to continue the improvement of the collection rate by the POA should satisfy the second within three

years. The POA's collection rate has increased to approximately 78% at present, which is significantly above the 60% rate for 2018.

The proposed three-year special assessment will provide funds for the following projects.

**3 Year Projected Revenue Needs
(for Capital Expenditures)**

Paying Off Double Diamond Debt (Interest burden = \$180,000/yr.)	\$3,550,000
Opening Lighthouse Bar	\$ 60,000
Increase Road Maintenance	\$ 100,000
Vehicle Replacements	\$ 120,000
Marina Store Repairs	\$ 50,000
Marina & Dock Gasoline Repairs	\$ 100,000
Marina Extension	\$ 130,000
RV Parks	\$ 100,000
Water Well	\$ 600,000
Hotel Renovations Renovate 28 rooms & structure (\$500,000) Add reception room, patio & fire pit (\$250,000)	\$ 750,000
TOTAL	\$ 5,560,000

The following is the cost to individual property owners and revenue projections.

**Proposed Special Assessment
Billable in 6 month increments for 3 years**

Homeowners - \$500 assessment semi-annually

Lot Owners - \$150 assessment per lot semi-annually

Projected 3 Year Revenue

620 Homeowners -	\$1,860,000
Less 10% delinquency	(\$186,000)
Projected Net	\$1,674,000

5,800 Lot owners -	\$5,220,000
Less 25% delinquency	(\$1,305,000)
Projected Net	\$3,915,000

TOTAL Revenue Needs - \$5,560,000

TOTAL Projected Net Revenue - \$5,589,000

Joe Manders moved and John Bass seconded a motion to approve the proposed special assessment. The motion passed unanimously.

ADJOURNMENT - President Leonard Critcher adjourned the meeting at 12:56 PM.

Ratifications of Actions Taken by the WBPOA Board of Directors Since the December 13, 2019 Meeting

The following action items were approved by the Board of Directors during board workshops.

January 24, 2020 Board Workshop

1. Selected Mark Hepworth to replace the unexpired term of Roy Miller.
2. Approved a proposed settlement agreement with Laura Smith.
3. Approved up to \$12,000 to pay for the development of a website for White Bluff Resort.
4. Approved permission for members of the Morgan High School golf team to practice on White Bluff golf courses at no charge.

March 7, 2020 Board Workshop

1. Approved creating and mailing property owner ID cards to all property owners.
2. Approved the installation of an enclosed receptacle for book exchanges by participants in the Little Free Library.
3. Approved up to \$27,000 for the installation of a new air conditioning system in the White Bluff Conference Center.

March 18, 2020 Board Workshop

Approved a memo regarding operations at Mulligan's during the coronavirus pandemic.

April 28, 2020 Board Workshop

1. Approved postponement of the annual meeting due to the coronavirus pandemic.
2. Approved electronic voting for the annual meeting.
3. Approved up to \$10,000 for the creation and mailing of property owner ID cards.

May 28, 2020 Board Workshop

Authorized the purchase of brushes, rollers, and stain for the deck and railings at the Lighthouse Restaurant. Volunteers applied the stain.

July 2, 2020 Board Workshop

1. The "Permanent" Guest List is no longer in effect. A property owner wishing to have a non-property owner enter the property must call

- Security and provide the name(s) of the guest(s), the date of arrival and the date of departure.
2. Invited guests will receive an information card at Security. The guest(s) must fill out this card and keep it on their person at all times they are on-property. The information on the card includes the property owner's name, address and contact number, the name(s) of the guest(s), and the license plate number of the car being driven. Security will enter the date(s) the guest(s) have access to the property. The information card is valid only for the date(s) filled in by Security.
 3. Re: all swimming pools - anyone age 15 or under must be accompanied by an adult, who will be responsible for supervising the actions of the minor.
 4. Anyone not obeying the posted rules or that is disruptive or offensive to other persons at the pool should be reported immediately to Security.

The above rules do not apply to non-property owners playing golf or going to Mulligan's. Guests renting a condo or log cabin will need to carry the completed identification card with them when accessing amenities.

October 22, 2020 Board Workshop

1. A motion was made by Jeff Williams and seconded by Joe Manders that the Board approve a contract with Recon Services, Inc. for adding 16 covered boat slips at the Marina at a turn-key cost of \$158,000. One-half of the amount will be due when the contract is signed, 25% when the materials are delivered and 25% when the work is completed. The contract will not be signed until the Army Corps of Engineers has approved the addition. Bill Finney will send a written request to the COE. Passed unanimously.
2. A motion was made by Gerry Mayer and seconded by Jeff Williams that the Marina slip rental fees be increased 10% for the next 12-month billing period in 2021. Passed unanimously.
3. The Board reviewed two bids to replace a bridge on hole #14 of the Old Course. A motion was made by Mark Hepworth and seconded by Joe Manders to approve a contract with Fleetwood Services in the amount of \$42,884.50 (inclusive of sales tax). Passed unanimously.

The Board of Directors approved each of the following items by a unanimous vote of the members of the WBPOA Board of Directors via email.

1/3/20 – Approved a \$1,000 donation from the POA to Paw Pals in memory of Roy Miller, WBPOA Board Member.

1/6/20 – Approved \$3,947.40 to replace batteries in 10 golf carts.

1/9/20 – Approved \$2,800 to repair one walkway at the White Bluff Marina.

2/17/20 – Approved the transfer the ownership of a small piece of WBPOA-owned property (WB 20, Lot 19) upon which part of the Double Diamond sewage treatment plant is located to Double Diamond contingent upon the following:

1. The WBPOA will incur no costs associated with the transfer of the property. All costs will be the responsibility of Double Diamond.
2. The issue of the easement will be addressed appropriately by Dallas Addison as per his previous email.
3. The rate reductions due to the White Bluff rate Payers must be fully implemented in accordance with the current Texas Public Utility Commission (PUC) Order prior to, or concurrent with Deed Transfer.
4. A fully executed Water/Sewage Rate Rebate Plan due to White Bluff Rate Payers and as approved by the PUC must be in place prior to or concurrent with Deed Transfer.

2/23/20 – Approved holding the annual fireworks display on July 3, 2020 at a cost of \$8,000.

3/16/20 – Approved a bonus in the amount of \$4,000 for Gregg Fjelland.

3/20/20 – Approved the following repair and replacement projects for the White Bluff Marina.

1. Gangway Floats - \$10,000.00
2. Winch Frame Replacement
 - A) \$23,129.00
 - B) \$6,725.00

5/15/20 – Approved a policy to permit property owners to install a storage cover for boats or recreation vehicles on spaces leased from the WBPOA in the POA-owned storage facilities. The cover must be approved by the WBPOA subject to the detailed provisions included in a lease agreement adopted by the Board of Directors.

7/8/20 – Approved the following guest check-in procedures for WB Security to follow.

WB Guest Check-in Procedure

1. Property Owners are required to call Security prior to the guest(s) arrival and provide the name of the Guest, date of arrival and departure date.
2. The Permanent Guest List has been discontinued.
3. If a Guest arrives and Security has not been notified by the Property Owner, Security will request the phone number of the Property Owner from the Guest. Security will attempt to call the Property Owner and verify that the guest should be admitted.
4. If the Guest does not know the number or the Property Owner does not answer the phone call, the Guest is not to be admitted on property.

5. Each admitted Guest will be logged as per normal procedure.
6. Each admitted Guest will be provided a dashboard pass.
7. Each admitted Guest will be provided a Guest Identification Card.

7/28/20 – Approved the purchase of a RC5715 Land Pride 15-foot tractor-drawn mower from Tipton International in Hillsboro for \$21,108.75.

8/10/20 – Approved access to the Whitney, Blum, and Aquilla high school golf teams under the following terms. The Board has approved allowing local golf teams from Whitney, Aquilla and Blum to practice on our course(s) a maximum of 3 times per week, during the week and subject to availability. The teams will also have access to the driving ranges and putting greens.

8/17/20 – Approved the installation of a small box under the Bridge Library box of the Little Free Library to be used for Children's books.

8/19/20 – Approved a request for proposals (RFP) to solicit a well-qualified developer/hotelier to enter into a partnership with the WBPOA to redevelop and operate the hotel property.

8/29/20 – Approved \$2,000.00 for video production of the POA Annual Meeting and the provision of sound equipment for the meeting.

8/31/20 – Approved \$8,400 for the repair of three concrete walkway ramps at the White Bluff Marina.

9/9/20 – Approved up to \$10,000 to pay the legal costs of having four former WBPOA Board members removed as defendants from with Walkinshaw and Castillo lawsuits.

10/1/20 – Approved the following projects:

Conference Center

Repair and paint exterior

Repair ceiling, retexture and paint

Rumfield's - \$26,500

Lighthouse Restaurant

Repair and paint exterior

SynCon Construction (Ron Roberts) - app. \$30,000

NOTE: Ron had bid to also redo the ceilings in the restrooms as well as some other work.

Fitness Center Complex

Repair and paint exterior of entire complex - \$19,500

Paint interior of existing Fitness Center- including new equipment - \$14,000

2 new flatscreens TVs and security equipment - \$4,000
A/C - \$14,500

Fausto Gonzales or Rumfield's subject to final bids.

TOTAL for all four projects, inclusive of opening the Fitness Center - \$108,500

5% Contingency - \$5,425

10/6/20 – Approved \$5940 to complete work needed to place the Internet/Ethernet tower system back in operation.