

WBPOA Town Hall Meeting Summary

White Bluff Resort

Whitney, Texas

Saturday, August 30, 2022

The meeting began at 9:30 AM. Board members present were Jim Fletcher, President, John Bass, Vice-President for Operations, Joe Manders, Secretary, Jeff Williams, Treasurer, Leonard Critcher, Teal Lang, and Trena Chagnon.

The following topics were discussed during the town hall meeting. These were compiled from questions sent to the Board President prior to the meeting.

Board Governance

- The role of the board is to represent the property owners. establish policy, budget for expenses, and provide oversight of the management company. The management company is responsible for policy implementation and management of Resort operations.
- WB has not had declarancy since a 66th District Court ruling on 10.17.17 (DD). Declarancy is not needed for the POA to function including making or modifying rules in the best interests of the property owners. Since the ruling, the POA had other priorities for Board efforts and available funds, and establishing a new declarant requires a 2/3 affirmative vote of all property owners for said declarant. This is costly and time intensive, and our financial resources have gone to other needs that were more critical to the functioning of White Bluff Resort. This issue will be addressed by the Board of Directors at some point when time and funds are available.
- The Board continues to meet and notify property owners of meetings as directed by Texas law. We will begin providing notification on workshops as well. The Board consults with the law firm in Dallas that represents the WBPOA for guidance as needed to ensure we are following both state law and governing documents.
- Length of agenda often drives early start times for meetings and workshops. Summaries of meetings, town halls, and workshops will be provided as often as possible. This meeting was streamed live on Facebook. Additional mechanisms for streaming from the White Bluff Conference Center, such as Zoom, are challenging due to internet/tech limitations and cost. Fiber optics have not been installed in White Bluff beyond the Administration Building, which is approximately two miles from the Conference Center. The cost of filming a meeting and placing it online is approximately \$2,500.
- Voting by homeowners and lot owners is conducted as outlined in the governing documents. A property owner has one vote for each lot he or she owns in White Bluff.

- Condominium owners are voting members of the WBPOS. Time share owners do not per court order. Most of the timeshares have been sold and are being converted to condominiums.
- Proxies are used in order to ensure the POA has a quorum needed to hold a meeting, which historically did not always happen and prevented the POA from conducting business at some annual meetings. Practices associated with proxy voting are conducted in accordance with the governing documents.
- The Board of Directors works hard on maintaining transparency. We are attempting to move to more frequent town hall meetings in order to provide more opportunities for input from the community. We will be using the new website for feedback as well when it is ready. Some matters, such as litigation, must be reviewed by the Board in closed sessions as provided in Texas law.
- Authority of the Board to set maintenance fees, different fees for home owners versus lot owners, and adopt special assessments comes from the governing documents. Each property owner receives this information with their title when they purchase property in White Bluff. This information includes the by-laws, the articles of incorporation, WB declaration and subdivision declarations as well as their amendments and state law. The Board consults with our legal team in Dallas on matters such as special assessments. Property owners who wish to better understand the authority of the Board of Directors should read all of the documents completely and thoroughly. Copies of these documents are being moved to the new POA website and will be available on that site.
- Authority to restrict short-term rentals is in the WB declaration and the subdivision CC&Rs which are provided at time of purchase. This policy is long standing.
- The Board will consider moving board member emails to a whitebluff.com address. This may require Microsoft licensing and securing or procuring user devices. The Board will consider the advantages and disadvantages including costs prior to making a decision.
- The Board responded to additional questions regarding the proxy votes assigned to the Board and how those proxies should be used. This practice is driven by the governing documents and the Board does always attempts to act in best interest of the community. The Board's vote of proxies assigned to it also provides a united front that prevents organizations that own a large number of lots from leveraging their votes and possibly controlling the WBPOA.

The Castle Group Management Contract

- Terms of the Castle contract one (1) year that auto renews unless either party terminates. The cost is \$7000/month.
- New IT services include a one-time \$10,000 roll over cost and then \$1650/month. The WBPOA now has all of its data on the POA server, and we have redundancy so that we maintain stability. This is lower cost than the arrangement with Arcis, the prior management company.

- The Castle Group is responsible for notification of maintenance fees and special assessments. They are completing the clean-up of assuming this data, which is progressing well. Castle will handle collections the process as well, and will be able to accept payments for maintenance fees and special assessments at the White Bluff Administration Building. However, payments made at the Administration Building do not post the day they are made. The time delay is about two days because the payment will be sent to Castle for posting. Property owners need to pay in advance of end of month to avoid late fees. The fee schedule for maintenance fees and assessments will be posted on the WB website when Castle has completed building the new site.
- Questions were presented regarding collection rates. The Board budgets for a 75% collection rate, but we usually collect at 80-82%.

Board and Committee Involvement in Hiring of Personnel

- The Board is able to provide advisory input on hiring of supervisory level personnel, but the responsibility for hiring and firing decisions, and direct supervision of staff belongs to the Castle Group.

Finances

- Tonya Nunn was introduced and is the Castle accounting person dedicated to the WB account. She is officed in the Administration Building and is working on better financial controls, auditing and financial reporting, and trending.
- Tonya completed an audit on all golf inventories based on the accusation there was a discrepancy of approximately \$32,000. She began this effort on day 1 of her work in White Bluff, and confirmed that the allegation was unfounded. No funds or merchandise were missing.
- The Double Diamond loan balance on the purchase of White Bluff amenities has been paid down to a balance just over \$1 million.
- The following potential capital expenditures were reviewed including the payoff of the Double Diamond loan. Additional capital needs include, but are not limited to: road equipment; water distribution for ponds/landscape/golf courses; future renovation of the RV parks; drainage issues; and the fitness center that needs expansion. The marina and marina market also need renovation as does the Lighthouse Restaurant, and the swimming pools need upgrades.

Status of Home Permitting & Development

- We currently have 685 homes in White Bluff. Twenty have been completed in White Bluff to date in 2022, and another 24 are under construction. Six additional homes are in the permitting process.
- Data on the number of residents in White Bluff are currently not available. The estimate is 2500.

Marketing & Advertising White Bluff Resort

- The Board has reviewed advertising, marketing and branding in terms of WB amenities and readiness. Many of the current operations are still working to improve their services and work out problems. A marketing and advertising partner will be vetted and selected when we have operational readiness and are sure we will be successful in delivering consistent, high-quality services. We do not want to spend advertising dollars and then get negative ratings due to service delivery problems.
- In the short term, the Board is working on search engine optimization and has recently hired a partner to manage our Internet search presence. We are currently working to develop additional Internet visibility and fine tune our .com tools. This effort is ongoing and will be a continuous process to ensure we remain visible on the web.

Roads

- Road maintenance continues including filling potholes, edge stabilization and repair, and crack fill. Barriers to progress include funding, additional equipment needs and weather. Progress towards acquiring needed equipment and additional 2023 funding are underway.

Hotel Room Rates and Occupancy

- August promotional rates for the hotel were reviewed as well as property owner discounts. The Board is collecting additional market data to evaluate rates long term. There are 18 groups booked in the hotel for the month of September. Additional gold packages are being developed by the Hospitality Director and General Manager.

Food & Beverage Operations (Bill Finney & Kim Mullins)

- Staffing has been a significant problem for the restaurants and some progress has been made in staffing up. The breakfast menu is being updated. The Director of Food & Beverage for Castle Management has completed an assessment of food and beverage operations and will provide recommendations for changes needed. Health department inspections were reviewed. The first inspection found two minor problems that were corrected. The second inspection resulted in a perfect score with no violations.

Golf Course Maintenance, Lakes & Ponds

- The drought here in Texas is presenting significant limitations to the amount of watering and water available for our ponds, golf courses and landscape. Golf operations leaders explained they are pumping water 24/7 at full capacity. The primary goal is to keep the turf alive with the water that is available.

- The Lake Pumps Committee has been reformed and has engaged a group of volunteers that includes several property owners who are engineers and WB managers to work with the Corp of Engineers, Brazos River Water Authority and a consulting group to establish long-term solutions for this problem. They have been meeting for 3-4 months and will present solutions to the board very soon.

Golf Operations

- Management continues to evaluate golf rates for 2023 and the need for potentially adding golf marshals to the staffing model in order to better manage play and other operational needs.

Improvements & Modifications to the 19th Hole

- Window shades have been ordered for the 19th Hole and Old Course Pro Shop. New air conditioner for the kitchen area was installed this week. Management will price out handrails for the entrance and stairs as requested. Better kitchen ventilation for the grill is being addressed.

Recreational/Social/Community Building Activities

- The Activities Committee met with the Board at the last workshop. They are working on several items for 2022 end of year and will present the Board with a list of recommendations for 2023. Contacts will be posted on the new property owners' website when launched by the Castle Group.

Pool Maintenance & Operations

- Pool maintenance has been particularly difficult this year. The extreme heat and high number of users quickly deplete chemicals in the water. In addition, high use results in a lot of sun screen in the pool which further deplete chemicals. Water samples are being transported to Waco twice per week for testing, and pool crew rotations have been increased to twice per day during this high heat/high use period. Management will investigate adding hand rails on the stairs at Cascade Pool as requested by some users.

White Bluff RV Parks

- These amenities are being maintained, but not currently improved for budgetary reasons. New electric service will cost an estimated \$8400 per site. In addition, each RV site needs a level parking pad, water system replacement, and restrooms renovation. The RV parks are on the list of items the Board has not been financially able to address due very pressing needs including major water system supply changes for the golf courses, lakes, and ponds. In addition, the marina and roads have required funding.

Marina & Marina Store

- The roofs on the new marina slips were added last week and temporary electrical service will be installed in the next couple of weeks. Management anticipates having the slips ready to rent within the next 30 days. Management has met with numerous potential partners regarding rental or possible purchase of the Marina Store, but to date, no agreement has been reached. Substantial capital investment is needed to prepare the store for opening. The gas storage tanks were cleaned and sealed several months ago and passed inspection. The POA needs a partner willing to invest the capital and enter into a long-term lease (similar to the Lighthouse Pub) or we will have to wait until the POA has the capital available to complete the needed renovations and improvements.

Improvements to Routine Maintenance of White Bluff Assets

- An HVAC technician has been added to the POA maintenance staff, and management is looking for an electrician to add to the team. We have a staff member who helps with picking up litter, but not as a primary responsibility. All property owners are encouraged to help care for the community by not littering and picking up litter on and adjacent to their property, such as the road shoulder in front of their homes. A routine maintenance schedule for all amenities has been developed by management and is currently in use.

Authority & Responsibilities of Security

- Kyle Nevil was introduced as the new Security Chief for the POA. His career has been in law enforcement, and he is a reserve deputy sheriff. Chief Nevil discussed several concerns and actions. A person must be age 16 or over to operate any type of motorized vehicle on WB property. Access and visitor access was discussed as well as controlling access of non-property owners in order to ensure a secure and well-maintained community. Several recent security problems that resulted in damage and/or risk of injury were discussed. Windshield placards will be updated with approved destinations printed on them to better ensure that visitors are where they are supposed to be when on property. All property owners were encouraged to call security with any concerns. ID cards are being discussed with the Castle Group, which is a renewed process that the prior POA management company never completed. Management discussed charging for community access as recommended by visitors. This will be considered in light of maintenance and security concerns. Construction/vendor vehicles do pay impact fees.

Fire Prevention Planning, Emergency Evacuation Planning & Routes

- Management and the Board discussed maintenance of private lots, budgeting for a 4th alarm siren for 2023 installation to serve the west end of White Bluff, and a revised evacuation plan and distribution of that plan to property owners. All of this planning is currently under review and revision.

Improvements to the White Bluff Water Utility System

- The Board is planning to request a meeting with Southwest Water Company concerning future planning to improve water service in White Bluff.

Improvements to WiFi & Internet Infrastructure

- Internet speed and fiber optic services in White Bluff were discussed. The fiber optic cable currently ends at the White Bluff POA Administrative Office and does not serve private residents. Windstream has been to the resort to survey the community for installation of fiber optic cable, but no firm date has been provided.

Trash Collection and Waste Disposal

- Weekend residents are encouraged to partner with neighbors for trash disposal. Trash dumpsters were tried a few years ago for trash disposal by weekend residents, but they were highly abused by some contractors and residents. This resulted in the Board discontinuing the service due to high costs and abuses by parties other than weekend residents. The Board discussed recycling and the inability to get a recycling service to come to the community. We will continue to solicit vendors on an annual basis. Hazardous waste disposal will be considered if one of the current vendors can do this without WBPOA risk and fees. Consolidation of waste disposal services was recommended, which might result in lower monthly costs for residents. This strategy would result in a single waste disposal service contract with one company to serve all residents of the community. The POA would pay the monthly bill and then pass the costs through to homeowners as part of the maintenance fee billed semi-annually. The Board will discuss this at one of the upcoming POA meetings.

White Bluff Mail & Package Service

- Adding larger delivery lockboxes for larger packages will be investigated for 2023.

Range and Trailwood Condos

- The POA had been cutting the grass and charging the owner. The owner has now taken over the maintenance of these properties. Management and the Board will continue to address required maintenance of vacant properties as well as maintenance of properties with homes.

Best Methods for Communicating with Property Owners

- The Board will be soliciting feedback from property owners regarding the preferred methods for communicating between the Board and the community. The POA will be launching a new website tool with a communications link as soon as the Castle Group has the website completed.