

MEETING OF THE WHITE BLUFF POA BOARD OF DIRECTORS

September 2, 2016

CALL TO ORDER:

Leonard Critcher called the meeting to order at 11:00 a.m. and confirmed a quorum of directors was present. The board adjourned immediately into Executive Session. Following Executive Session, the Board convened in Open Session at 1:05 pm. The meeting took place at the White Bluff Conference Center.

ATTENDANCE:

Attendees included: Board Members Leonard Critcher, Terry Newman, John Bass, James Fletcher, Ron Roberts and Double Diamond employees Fred Molsen and Shari Snow.

Leonard gave the summary of the Executive Session: including a discussion of the ongoing litigation and the recent lawsuit involving the POA and Double Diamond Company.

No action was taken during the Executive Session.

OPEN FORUM:

Lynn Louthan, 24084 Springwood, thanked the Board for their efforts and noted that the homeowners now have an advocate.

Marshall Snyder, White Bluff Drive, asked if there was a date set for the hearing in Hill County. Leonard Critcher noted that there has not been a date set. Mr. Snyder also asked if the POA will continue to maintain the golf courses at White Bluff, Critcher responded with yes.

Travis Bryan, 13021 Eagle Nest, suggested that the Board check the legality of the comp rounds. He also asked if some form of electronic system was being researched for collecting proxies.

DISCUSSION/ACTION ITEMS:

Proposed Rate Increase for Water/Sewer

The proposed rate increase for residents for water and sewer service is 42%. John Bass noted that he knew it was coming and that we have been through this before. The POA is gathering as many protest forms as possible to present to the Public Utility Board. There is also a need for monetary support for the effort, including retaining a law firm to represent the Homeowners. John Bass made a motion to retain Matthews & Freedman Law Firm for the purpose of protesting the rate increase. Ron Roberts seconded the motion and the motion passed unanimously.

John Bass made a motion for the WBPOA to pay 50% of the cost of the rate increase protest. Terry Newman seconded the motion. John Bass amended his motion to call for the POA BOD to contribute dollar for dollar of what the Property Owners contribute. Motion and amendment was passed unanimously.

Status of Administrative Service Provider(s)

Leonard Critcher commended James Fletcher for taking on the task of developing an RFP for Professional Services. James noted that the companies who presented information to the Board did not have complete information at the time as the Board did not have specific services set out. He

sent an RFP to five companies. Of the five, two declined, as the Association is larger than their capabilities. The three original companies who presented overviews to the Board are now preparing proposals, based upon the criteria set out in the RFP.

Foreclosed WB Lots

Fred Molsen gave an outline of the process of foreclosure. He noted that the WBPOA has not foreclosed on a property for delinquent Maintenance Fees and Double Diamond no longer forecloses for delinquent fees. Any pending sale of foreclosed property is posted at the Hill County Courthouse. Foreclosures for delinquent taxes are posted in the Hillsboro Reporter Newspaper. The Board agreed that they do not intend to get into the real estate business.

Dumpster Usage Fee

Fred Molsen reported on the continued use of the dumpster placed near the New Course cart barn for “weekenders” to dispose of trash. The cost for emptying the dumpster has increased with increased usage. Terry Newman made a motion to charge a dumpster fee of \$100 per year for those who do not have waste pick up services for their home. James Fletcher seconded the motion and motion passed unanimously.

Usage of POA purchased water by Double Diamond

Fred Molsen reported that for 26 years, the POA has paid the Brazos River Authority for lake water. The water was used to water the golf courses, POA owned amenities and eventually Double Diamond amenities. Double Diamond has not paid the POA for the water of the years. Fred and his staff are researching the value of the water used for Double Diamond property and will report their findings.

Proxy Procurement

To effectively procure proxies, we need a website now. John Bass noted that it will cost to start a website, but after the website is set up, the management company can maintain it. Leonard asked James Fletcher and John Bass to work on establishing a POA website.

Comped Golf Rounds

Leonard gave a history of the comp rounds. Mike Ward gave the rounds as a reward for those who go above the call of duty, i.e. serving on the Board or various White Bluff Committees. There have not been any specific guidelines for the comp rounds over the years. Several questioned were raised regarding the practice. Is it legal? Is it taxable? Who is receiving the rounds? What is the cost of the rounds? The By Laws state that it is permissible to give comp rounds, however a resolution is needed to make the guidelines more specific. Federal law requires a 1099 form for anyone who receives a “gift.” The POA will begin providing 1099 forms for those receiving comp rounds. Fred Molsen reported that those who receive the comp rounds are the Board Members, the WBVFD Chief, the White Bluff Chapel Pastor, golf course maintenance employees and Committee members. The cost per round is \$34. Of the comp rounds being used, 113 were used by golf course maintenance personnel. Beginning in 2017, the cost per round will be \$22.

Leonard Critcher tabled the issue for now.

Insurance Report and Recommendations

Scott Shelton reported that the insurance coverage for the POA Board of Directors covers all the Double Diamond Resorts’ Board Members. Two recommendations were offered. DNO Insurance should be rolled over and the WBPOA Board should check into additional coverage for *this* Board.

Future Meetings

The next scheduled meeting will be October 18, 2016.

There being no further business, Meeting was adjourned at 12:01 p.m.

Respectfully submitted,

Shari Snow