

Cave Creek & Comanche Hills Property Owners Association
Annual Meeting Minutes
Held on October 21, 2023 at 10:15 am
at the CC&CH Helipad, Rocksprings, Texas

President Jim Prescott called the meeting to order at 10:30 AM.

POA President Prescott greeted all in attendance and introduced the POA Acting Board Members to the audience.

POA Board Members included:

President, Jim Prescott
Vice- President, Steve Nagy
Treasurer, Ibaldo Borrego
Secretary, Amy Stahl

*Property Owners in attendance included: Alex Archey, Danny & Judy Bench, Mike and Lesha Betts, Ibaldo Borrego, Caleb Campbell, Darrell Cooke, Terry Elliott, Tony Felan, Juan Guerra, Jr., Bill Hester, Grace Hodges& Fred Nickel, Carl & Julia Holder, Larry & Kim Kroesche, Bob & Yvonne Kruse, Steve and Judy Nagy, Russ Pape, Jim and Jonna Prescott, Patrick & Amy Stahl, Leo Summers, Karen Thomas, Derrick & Terri Williams, Kevin & Allison Woodward, Roxanne Wunderlich,

*Secretary Amy Stahl presented/read the Minutes from the 2022 annual meeting. The Minutes were not approved as read. Motion to amend was made by Lesha Betts. Requested Amendments were as follows: P1 New Business Section be revised to include statements made by Bill Hester regarding desire to find an attorney, find out how much the retainer would be, and let the property owners know. In her statement Betts pointed out that a lawyer was found but the retainer was never discussed with property owners. 2) Betts also stated that the budget number referenced in the meeting minutes (\$5000) was never discussed at the Annual Meeting in 2022 and should be stricken from the meeting minutes. Betts requested that all references to budget numbers be removed throughout the document as they were not discussed at annual meeting, 2) Betts requested to add Cathy Bagwell and Melanie Scott to identify them as vote counters at annual meeting in 2022.

Motion to approve Meeting minutes as amended made by Amy Stahl seconded by Jim Prescott to accept. Motion approved in procedural vote.

*Treasurer Ibaldo Borrego presented the Financial Report. The report was approved as read. Questions about expenses were presented as follows:

Savings account balance questioned – answered no change since last year.

Derrick Williams – questioned Baker Equipment check paid for \$1300 for tire replacement. Baker is a rental company in Del Rio and on 05/08/2023 POA paid for Motor Grater Maintainer tire replacement for blow out that occurred during POA using said equipment. Williams stated that repairs to tires on rented equipment should be paid for by rental company based on his experience working in Houston market. President Prescott pointed out Houston market is very different from Edwards County. Prescott stated remote as we are here, it does not work that way out here. Prescott noted that he negotiated the price down to \$1300 from over \$1900, which saved the POA \$600 for that repair. Williams also questioned use of Grooms on gravel in this area and Prescott confirmed that is the only place to get it and we saved money by combining the gravel with truck rental and doing the work ourselves (specifically Jim Prescott and Steve Nagy).

Carl Holder questioned the lighting and surveillance cameras referenced in the financials. Prescott pointed out the light on spigot and camera on the pole looking at the spigot. Lighting and camera are meant to be a deterrent for non-residents/property owners to come and steal water from C1 holding tank.

Lesha Betts questioned other cameras that are personally owned and paid for by Jim Prescott. POA did not pay for nor is the POA responsible for the other cameras in question.

Motion to Approve Financials made by Jim Prescott and seconded by Grace Hodges to accept. Motion approved by procedural vote.

New Business:

***Website** – The POA has secured the web address CCCH-POA.ORG and it serves as a place for community information and easy online access to documents. Property owners are able to access all documents that are sent via regular mail. Continued buildout of website is ongoing.

***Road Work** – Jim Prescott explained all the work that went into road repairs this year. Used a maintainer and rock grinder to crush down the really bumpy spots by the bump gate and other notable areas, 45 loads of gravel, stabilizing cement and damped down. Roads are in really good shape. Carl Holder asked about hill on Cave Creek side, Jim Prescott stated that working on that road is part of next year's budget and will be prioritized in next repair cycle. Also fixing black mastic road is priority. Alex Archey questioned about everyone paying same dues, but those living on county roads, county roads are terrible. Jim Prescott said Matt Fry's road maintenance crews have a lot of roads to service and they get to us when they can. Bill Hester reminded Prescott of liability issues related idea to drag the county roads. Amy Stahl stated that our POA roads are being complimented by others in the county and thanked Jim and Steve for all their hard work and knowledge.

*** Water and Cattle Report** – Steve Nagy gave water report. We have been fighting to keep water in C1, 2 and 3. In years past well pump output was approximately 1.1 gallons per minute, going over that the pump would trip. As of October 2023, well pump output has slowed to 0.5 gallons per minute and is still tripping. Severe heat and drought conditions is putting strain on resources. By keeping water pump output at the level that can maintain a constant run without tripping and shut off, we are making some ground in keeping C1, C2 and adding consistently to C3 as means for fire protection. Steve thanked the community for taking it easy on the water usage. Someone asked about water for fire protection. Nagy stated that it has been assumed for C3, every inch is 1000 gallons, so Nagy and Prescott tested it confirm by using 1000 gallon truck tank to pump water out of C2 and into C3. It turns out every 2.5” of water in C2 represents 1000 gallons. Every 0.5” in C3 represents 1000 gallons. When C3 is full, there would be approximately 180,000 gallons of water for fire protection if we can get there. POA installed 2 spigot connectors on holding tanks C2 and C3 for fire department to direct connect to the water source. C2 has a refill line that we stay at or above to maintain water for fire protection. We have been pumping water from C2 to C3 as conditions permits to have continuous focus on replenishing C3 for community fire protection. We’ve done a good job keeping C1 full. It only ran out one day and that was due to a small group of property owners taking 6000 gallons over a 4 day period. The POA is not responsible for telling anyone they can or cannot take water. The only concern for the POA is to ensure we do not burn up the pumps because the POA takes financial responsibility to repair the well pump and ensure it is in good working order.

Carl Holder discussed the need for having some means for a larger portion of the community at large to discuss and decide if/when the spigot is shut down when tank replenishment or well pump preservation is necessary. Amy Stahl pointed out our water committee and perhaps adding additional members to discuss if/when the spigot is shut off. It was pointed out that when the POA has shut off the water pump it was either in response to a weather event and request by a well owner, or due to possible pipe leakage to find and repair issues and the shutting off of the spigot is only done to refill C1 to an acceptable level before turning it back on. Prescott confirmed validity of Holder’s concern relating to the shutting off of the water pump and/or spigot and need to keep everyone informed. Mike Betts pointed out that there are 4 owners of the Well, so when talking about shutting down, it should only ever be the spigot because the well owners have unlimited access. Discussion ensued regarding how to properly mitigate water usage and access and decisions about when and how best to shut down the whole pump. Carl Holder expressed concern over not having enough water out here in the event of a fire. He requested that we come to some solution of the water situation at the Annual Meeting. He admitted that he does not rely on a community water access point, but called the water issue a “stigma” that needs to be resolved.

Terri Williams suggested creating a Google form to send out to all property owners to provide input on community decisions and put everything the POA

Board does up to a community input item. Williams stated she was a teacher during the pandemic and how easy it is to create a Google form, if we have everyone's email address it would be easy to send out to everyone to voice their input for all POA/Board decisions. President Prescott asked Terri Williams if she would like to volunteer to create and take ownership of that item. Williams responded "I have no problem with that." Prescott thanked Terri Williams for her input.

Karen Thomas ¼ well owner. She states that C2, in February was nearly full, in March C2 was still nearly full, but C3 was down to 20", which in her view is no kind of fire protection. She quotes that in April, nearly 9,000 gallons was put into C3 and it only came up a little bit. She expressed concerns over fire protection and how the water is being divided. POA is unaware of water being divided. She complained that "all summer we had no fire protection." Steve Nagy and Jim Prescott both pointed out that we use C2 as fire protection and keep C2 at a certain fill line to ensure we have some fire protection. Thomas was combative, stating that she has looked and the water in C2 is not always above that line. Jim Prescott begged her pardon and disagreed. The POA makes constant efforts have some fire protection available if needed. As is the case in the entire area, nearly 100 degree heat all summer long in drought conditions has put a strain on keeping sufficient water available. This is a problem for the whole county, not just our subdivision.

Jim Prescott questioned Karen Thomas' complaint about "how the water is divided". He asked how she suggested handling proper division. Thomas responded that right now we have water being split between C1 (where all owners and spigot receives water) and C2 holding tank generally used for cattle and wildlife as supplies permit. Karen Thomas suggested shutting off the flow to C2 for a while so the water table can recover. Steve Nagy points out that shutting off flow to C2 shuts off flow for water we keep for fire protection, which was her first concern. Karen Thomas chief complaint is cattle using water from C2. Jim Prescott pointed out that water has not been used for any of his cattle since July 2023, and that his cattle are taking water from a private well by agreement with a land owner. Steve Nagy attempted to explain mechanics of water pump valve flow, fill levels, when water is pumped from C2 to C3, evaporation in extreme heat conditions and overall impacts of water distribution. It's a very slow process and delicate balance. Eyeballing the levels of the tanks is not a sufficient way to determine if efforts are working. Karen Thomas does not want the cattle to have any water from C2 and states that it should be built up and only used now for fire protection until C3 is full.

Russ Pape (water committee member) attempted to clarify Karen Thomas concerns. Water is pumped from C2 to C3, but to the naked eye, water levels are not changing so they want to know where the water is going. There are some gravity lines flowing from C3 to watering troughs that water wildlife in the area. All watering sources for cattle are also used for general area wildlife, something we all benefit from as a community. POA Board and President specifically was being accused of taking water out of C3, which is just not the case. No one has removed water from C3. Patrick Stahl pointed out that C3 was left to go dry

in recent years prior to this POA Board's efforts to begin refilling C3 back up after it was let to go dry. There are always concerns for leaks, Prescott mentions having process to mark and measure so we know if we have a leak. Prescott cattle has been on his personal property and has not accessed any water from C2 since July. Pape confirmed that C2 has been staying at level or has levels improving monthly for the last several months. Pape confirms we would love to have all tanks full but extreme drought conditions are hampering those efforts. Again we are doing the best we can given the conditions.

Karen Thomas questioned the "Rendon line" and President Prescott stated that the Rendon line is disconnected. Karen Thomas questioned the accuracy of the being disconnected because she can see a line on Jim Prescott's side of the fence. Jim referred to the line that Karen can see on his side of the gate as a future "Rendon line" that is not in use currently. Prescott reminded Thomas that line was put in place because Karen and Steve Thomas told Jim Prescott to "stay off their property." This line is not connected to anything at the other end and no water is going through the line.

To combat Patrick Stahl's statement about C3 being let to go dry, Mike Betts confirmed that he was president for 10 years and about 5 years ago C3 was full, but admitted that it was left to go dry in the last 5 years. No solution was offered to refill C3.

Prescott asked for remedies/solutions. Terri Williams suggested "resting the land for a year" by way of suspending the cattle lease. Amy Stahl pointed out potential loss of AG exemptions for those participating in the cattle lease. Terri Williams and Karen Thomas argued that no one would lose AG exemption if the suspension was only for a year. It is unclear if they considered if such a suspension would result in the Cattle rancher ceasing to have his lease in place all together, costing everyone participating an AG exemption on their land. Actions have consequences. Both Karen Thomas and Terri Williams both advocated for a one-year suspension. Jim Prescott noted this suggestion is equivalent to asking him to sell his cattle, which would definitely result on permanent suspension of ag exemptions until a new cattle agreement could be negotiated. As Cattle Rancher, Jim Prescott has been keeping his cows on his personal property. Only 4 cattle were mentioned being seen by anyone at the meeting. All cattle are being kept on the North end of the subdivision.

Caleb Campbell suggested shutting off the pump Monday through Thursday and allow the spigot to run only on the weekends (during dry months) as a suggestion to help the situation. Steve Nagy gave example by stating at current pumping levels and maintaining consent waterflow, a 4 day shut down would put strain on the pump. And by shutting down the pump, we lose out on several thousand gallons of reserves when on a slow but steady flow. Steve Nagy reminded everyone that C1 has only run out of water once in the last year and the pump was only shut down twice, once due to the freeze and once when C1 went dry, so the Board really does not understand why certain individuals are complaining about no water. Again, we have only run out of water in C1 once.

After nearly an hour of discussion, no resolution on the any water issue was reached. After a call for volunteers, no one responded to take lead on water discussions. Subject shelved for future discussion. Everyone agreed we need to have some solutions to address the issue. Other Property Owners also use water for their livestock on their properties, and property owners doing so defended such practices, but it is clear that some do not want the cattle to partake in any water source.

Terri Williams reports that they have cows in southeast Texas, and they sold cows because they had run out of gas. Terri Williams suggested Jim Prescott sell his cattle. Terri Williams stated that she had in her possession 5 different cattle leases for our subdivision and that a cattle lease was not discussed at the annual meeting last year. She referenced the original lease with Jim Prescott expired on December 21, 2022 and that there is no cattle lease in place. The Board maintains that there is a lease on file with the county. Terri Williams challenged the validity of the lease because the one that is filed as amended was back dated. This cattle lease was amended and backdated per legal counsel guidance so that the one originally signed and filed in December 22, 2022 was under the old entity that was not recognized by the State of Texas and that we needed to file an amended lease reflecting it's effectiveness the same date as the Certificate of Formation with the Secretary of State of Texas. Attempts were made to nullify or consider void the cattle lease that is in place. Terri Williams states that she is a real estate agent and challenged the back date to January 2 (date of Formation) with the securing of the Tax ID number with the IRS being obtained in June 2023. There is no specified timeframe required to secure a TIN from the IRS for an entity, only that it be done within the first year of Formation so that Franchise and/pr tax returns can be filed. It has no bearing on the validity of the effectiveness date on the cattle lease.

Terri Williams states she is a real estate agent, so she understands contracts, moved to rest the land and cancel all cattle leases for a period of 1 year. She states that we are allowed a 2 year exemption to revisit the cattle lease question. She suggested that it is very simple for everyone to get their own AG exemption with Edward County and we should all peruse those options to ensure continuation of AG exemption should we not be able to find a suitable replacement for Jim Prescott. Terri actually suggested for Jim to sell his cattle. Williams then went after Prescott demanding vaccination records. She also has experience with cattle vaccines and accuses Jim's cattle for not being properly vaccinated as another reason he needs to sell his cattle and cancel the cattle lease with our POA. Williams insists that all cattle must have an "830" tag on their ears to indicate proper vaccination and she does not see that on his cows. She insists this tag is required by the FDA. Prescott stated that those tags are not, in fact required by the FDA. Terri combatted that statement with "her brother is a vet." Terri insists that a tattoo in the ear is the only proof of proper vaccination. Someone in attendance asked if anyone had a problem with the cattle before Jim Prescott became cattle rancher and subsequently President of the POA. Most in attendance answered a verbal "no". Then the questions was asked if the cattle had water rights previously and the answer was "yes" which is no different than the lease in place with Prescott.

Amy Stahl points out it was Mike Betts idea to have Jim Prescott replace the former cattle rancher 6 years ago. As part of that agreement, it was negotiated that Jim Prescott, as cattle rancher, is to pay the POA \$1 per acre participating in the cattle lease. We never received a penny from the former cattle rancher. Jim Prescott is subsidizing this POA with nearly ½ dues contributions. This means that the Association membership contributes approximately \$9000 per year by way of dues, and Jim Prescott puts in approximately \$4500 per year (1/2 in January and ½ in July) into the POA operating account. Those funds are to compensate for water usage and goes towards general POA expenses, including road repair and maintenance.

Caleb Campbell expressed his concerns of the cattle rancher feeding cattle on his land. He has asked for the feeding and water troughs to be removed from the corner at the bump gate on his property. Texas and/or County law states that to opt out of cattle leasing, the property owner must fence the cattle out at their own expense.

Kim Kroesche stated that she does not understand all the drama and animosity being held on display. Three years ago, everyone seemed to get along with one another. We are all neighbors but we all seem to be facing a lot of infighting and drama. Can we all just get a long and enjoy the peacefulness of our land? The cattle have been here for a long time, this is a fence off County with a cattle lease in place, most of us benefit from having a cattle lease, so why is everyone fighting? We are all in the same boat. We aren't going to settle any of this today, but perhaps we need a non-board committee than can discuss and bring ideas up to the Board for consideration in an attempt to hear the community and bring issues to the Board with once voice. She reminded that we don't know if laws will change or if we will be able to find a new cattle rancher, much less one that will actually pay the POA for the lease privileges. We could end up losing our AG exemptions all together if we continue this infighting. It seems every single meeting has been an argument about water and cattle...every year. Kim asked how long Mike Betts was on the board and reminded everyone that no one forced him out or asked him to resign, so why is everyone attacking Jim Prescott? Kroesche states "What are we doing?? I don't know!" Kroesche's comments were met with applause by most in attendance.

Lesha Betts stood up and stated at this point in the meeting that "We do not have a Board". Amy Stahl reminded Betts that our preliminary agenda mailed out to everyone in July 2023 had the voting of the adoption of proposed Bylaws and electing new Officers of the Board at the beginning of the agenda. It was Lesha Betts who complained to the Acting Board in July that the Preliminary Agenda was not following "Parliamentary Procedure" and that we had to do the reading of last year's meeting minutes first, followed by old then new business BEFORE we could vote on Bylaws and Officers were to be voted on last. The Acting Board at this meeting prior to the official 2023 vote is the Board that was voted on by attendees at last year's Annual Meeting under the old entity. Lesha Betts asserts that the whole membership needs to be involved in every decision that is made from now on. Betts was incorrect in her assertion of not having a Board. She is

referencing the Certificate of Formation that does not list Board members, but no Board members could be listed until such time as we have our First Annual Meeting, which was being held and Officers were on agenda to be elected.

Lesha Betts accused the Board of not being “upfront and honest” with the Property ownership by telling everyone that we are just “an Acting Board.” She could not provide any examples of dishonesty on the part of ANY Board Member. Amy Stahl reminded everyone that every single communication that we have put out this year has been full disclosure letting everyone know exactly what we are doing, at all times. We were also being very deliberate in stating we were an ACTING BOARD. We have communicated far more than what previous Board members have disclosed in the past. In addition, Amy Stahl reminded Lesha Betts that the POA paid her by way of her company to go through the motions for a 2 year period to reinstate the former entity, only to be met with an impasse and subsequent fines paid to the State Comptroller with no successful results, all on her watch. Amy Stahl has been paid zero dollars for her work in securing a new entity, getting us this far in the Formation process to date and ensuring that we operate at a high level of integrity and transparency. Lesha Betts claim that the Board is acting dishonestly are patently false.

Karen Thomas commented that the former Cattle rancher used water 1 day every 2 weeks. Continuing her complaint about cattle and water usage. Russ Pape went back to Terri Williams motion to rest the land for a period of 1 year. Karen Thomas seconded the motion. Motion was put for a procedural vote in keeping with Parliamentary Procedure to vote on resting the land and suspending the cattle lease for 1 year. President Prescott warned voting for the suspension of the cattle lease is a dangerous proposition and could cost many people ag exempt status with the County. Larry Kroesche asked all present if any of them had thought about what would happen if Edwards County or the State of Texas changed laws as it relates to AG exemptions and how much the land will cost them in taxes absent AG exempt status. In Edwards County, 100 acres costs approximately \$4300 in property taxes without the exemption. Kroesche cautioned everyone that entertaining this idea of suspending or invalidating the cattle lease could have major consequences. Effectively asking Jim Prescott to sell cattle now, only to buy them back later is very risky and expensive. We could end up losing the cattle rancher due to a force out, only to have no cattle rancher to take his place in the future. Laws change all the time, so it’s a real risk. Terri Williams stated that the state does not change laws about cattle ranching very often. Kroesche, as former law enforcement officer, rebutted stating that saw laws change all the time. He asked Terri Williams if she was in the State Legislature to which she responded she “knows people who are.” Grace Hodges came to the seated Acting Board and said that a decision like this would have to be taken up by the whole association. Every single person would need to be presented with an opportunity to vote. A vote like this would require 2/3 majority so it would have to be decided upon by a Proxy vote if we really wanted to take this motion up. Amy Stahl called a procedural vote on motion to send out a proxy to suspend cattle lease. Only a few voices including Terri Williams, Karen Thomas, Lesha Betts responded “aye”. The Majority present

voted a resounding NO.” Motion to send out proxy ballot to suspend cattle lease was denied.

Anyone who would like to see a proxy ballot initiative to suspend or invalidate the existing cattle lease with Jim Prescott should notify the Board in writing of such desire. There should be enough interest presented in writing in taking up this drastic and consequential course of an action before a proxy ballot will be initiated. Currently the interest in suspension is concentrated with a small but vocal minority of property owners present at the meeting.

*** Discussion and Adoption of Proposed Bylaws** – After a brief break for everyone to get their lunch provided by Miss Buffy’s, we reconvened to discuss Proposed Bylaws. Most of the previous Bylaws were incorporated with only a few and minor changes. We discussed why there are only 4 board members. It is primarily due to there being a lack of volunteers to fill the positions on the Board. We discussed uniformity of percentage of votes needed for certain Bylaw specific items. It was agreed that it should be a simple majority of 51% throughout. Other Articles were discussed and explained in context. No other changes requested.

Kim Kroesche served as Proxy Ballot Control Officer and counted the Proxy votes received. Larry Kroesche served as In-Person Control Officer. All votes tallied and counted. Adoption of Bylaws Approved by greater than 51% majority of votes cast.

***Election of New POA Board Members** – Nominations were received for the positions of President, Vice President, Treasurer and Secretary. Jim Prescott was the only one nominated for President. Steve Nagy and Russ Pape were nominated for Vice President, Ibaldo Borrego was nominated for Treasurer, Amy Stahl and Caleb Campbell were nominated for Secretary. Each Nominee stood up to introduce themselves and say a word about the work they have done or why they should be elected/re-elected. Ibaldo Borrego resigned as Treasurer due to a need to focus on his successful business. As a result, the need to send out a stand alone Proxy ballot to elect a new Treasurer.

Mike Betts nominated Terri Williams for Treasurer, seconded by Russ Pape Jim Prescott nominated Darrell Cooke, seconded by Amy Stahl. Proxy ballots were sent out as soon as administratively possible to fill the vacant Board position. Bylaws state in Article 2 Section 4, that the Board fills the position vacated until such time as a proxy vote is received. Ibaldo Borrego agreed to act as Treasurer until we have a new one established by Proxy vote by end of year 2023.

New Board Members were voted on by paper vote and votes were counted at the Annual Meeting by Kim Kroesche as Proxy Ballot Control Officer and Larry Kroesche as In-Person Ballot Control Officer. Leshia Betts pointed out by POA guidelines, vote counters should not be related to each other. Concern was noted. Votes by all in attendance or in attendance by proxy resulted in the following New Board Members.

**New 2023-2024
POA Board Members:**

**President, Jim Prescott
Vice President, Steve Nagy
Secretary, Amy Stahl
Treasurer, VACATED TBD**

While the votes were being tallied, President Prescott thanked the Board members for all their hard work this year and asked if there was any other business to discuss.

Terri Williams noted there is a form filed with TREK for the purposes of filing liens on property owners who have not paid their dues and that it could help the Board with future needs if they ever arise. Prescott thanked Terri for her input and pointed out that we all have skill sets that can help one another and pleaded for us to all get along.

Amy Stahl expressed need for us to try and use electronic means of delivery of POA information to cut down on administrative costs related to mailing hard copies. Roxanne Wunderlich stated that she knows about the POA mailings from experience with former Secretary Mark Campbell, that we need to continue sending out hard copy mail and spending the money on the postage. It costs approximately \$2 per mailing due to return postage that rarely gets used.

Jim Prescott mentioned the Board has received a request to have a Spring picnic, nothing official simply a get together for community to socialize. Dates were discussed and tentatively set opening weekend of turkey season as being a time to host a community picnic. Stay tuned for more information.

Jim Prescott motioned making a POA donation to the Edward County Volunteer Fire Department of \$250. Majority of people present agreed it was a good idea. Will note to make donation in the 2024 tax year. Board Members challenged other POA Board members to donate personally and it raised a nice sum of money for a good cause. We want to continue to support our local Volunteer Fire Fighters.

***Adjournment:** Meeting officially adjourned the meeting at 2:00PM after voting tally was complete. Fajitas were provided by Miss Buffy's. Motioned by Jim Prescott and seconded by Amy Stahl and Steve Nagy. Motion approved and meeting adjourned.

Board of Directors
Cave Creek & Comanche Hills Property Owners Association