



**BOARD OF DIRECTORS' QUARTERLY MEETING AGENDA
SATURDAY, JANUARY 30, 2021**

Call to Order by President Russell Bundy

Roll Call and Certification of Board Members by Secretary Kathy Pothier (P = Present; A = Absent)

Rick Bradbury - P, Russell Bundy - P, Phillip Green - P, Chris King - P, Kathy Pothier - P, Carolyn Small - P,
Bill Vogl - P

There were no public service announcements.

Acceptance of Minutes

The minutes for the October quarterly meeting were emailed to all directors and posted on poatri.org. Kathy Pothier moved the minutes be accepted as emailed. Second by Carolyn Small. The minutes were unanimously accepted.

The board continued to meet every two weeks via zoom since the last quarterly meeting for a budget update due to COVID-19.

November 17, 2020 - Rick, Russell, Kathy, and Bill were present. Phillip, Chris, and Carolyn were absent. Keven Brinneman, Denese Jones, David Binion and Ed Marcato, BFC member were also present. No votes were taken during this meeting.

November 24, 2020 – Rick, Russell, Kathy, Bill, and Chris were present. Phillip and Carolyn were absent. Keven Brinneman, David Binion, Denese Jones and Ed Marcato, BFC member were also present. No votes were taken during this meeting.

December 1, 2020 – Rick, Russell, Chris, Phillip, Bill, and Kathy were present. Carolyn was absent. Keven Brinneman, David Binion, Denese Jones and Ed Marcato, BFC member were also present. No votes were taken during this meeting.

December 15, 2020 – Rick, Russell, Chris, Kathy, and Bill were present. Phillip and Carolyn were absent. Keven Brinneman, Denese Jones, David Binion and Ed Marcato, BFC member were also present. Kathy moved and Chris seconded to approve the 2021 budget as presented. After considerable discussion, this motion was defeated. The record of voting - Rick – NO, Russell – NO, Phillip – absent, Chris – NO, Kathy – NO, Carolyn – absent, Bill – NO. The 2021 budget was then revised. Bill moved and Rick seconded to approve the revised 2021 budget. Record of voting was Rick – YES, Russell – YES, Phillip – absent, Chris – YES, Kathy – YES, Carolyn, absent, Bill – YES. The motion was approved, and the 2021 budget was adopted.

December 28, 2020 – Rick, Russell, Chris, Kathy, and Bill were present. Carolyn and Phillip were absent. Keven Brinneman, Denese Jones, David Binion and Ed Marcato, BFC member were also present. No votes were taken during this meeting.



January 12, 2021 – Rick, Russell, Phillip, Chris, Bill, and Kathy were present. Carolyn was absent. Keven Brinneman, Denese Jones, David Binion and Ed Marcato, BFC member were also present, no votes were taken during this meeting.

President's Report by Russell Bundy.

As we begin a new year and new quarter, I would like to acknowledge that 2020 was a challenging year. With the perseverance and grit of the board, staff, and community members we have weathered the storm. Thank you to our board members for their dedication to getting us through 2020 especially our board members who are leaving the board. Thank you to Kathy, Carolyn, and Bill as well but we do expect Bill to return for another term. A special note to Kathy for getting us through some administrative struggles and ensuring a smooth transition as our new manager, Kevin Brinneman, gets on board. A special thank you to a special employee, Denese Jones, who has served as interim manager for the past year and a half (it seems longer) and who went well beyond her normal duties to keep things running smoothly here at Terlingua Ranch. We are going to miss her as she starts a new chapter in her retirement. Thank you so much Denese. As we go into a new chapter for the board, we had 9 applicants for 5 positions. We wish them well and hope the 5 positions are filled. For the new directors, know going forward we are in the midst of the strategic planning process, looking ahead at what our community will look like in the future. We never know what that is going to look like, but we plan today for the future. I would like to read an excerpt from a book called Policy Governance Model and the role of the Board Member by John Carver and Miriam Carver. It gets to the meat of a policy board and what their responsibilities are and what they are not – “So if you are a board member, remember, you are on the board to govern, not manage. Using your area of expertise to draw your colleagues into setting prescriptive requirements for operations means is an inappropriate use of the authority that allows the CEO (in our case, Manager) to take no responsibility for operational means decisions. The most you can responsibly do is make yourself available to the manager on a strictly advisory basis, aware that “strictly advisory” means the Manager is under no obligation to take your advice”. That is a tough thing for board members sometimes to realize especially if you are a new board member. This really allows us to understand our role to be responsible to the community for the governance of this community. The rules and policies are set in place allowing the manager to take that into play in the operations. We need to understand that dividing line and when we do cross it to come back and realize our role. I wish everyone well and hope for a healthy 2021.

Outgoing board members were offered an opportunity to speak.

Kathy shared “It’s been a short 6 years and a long 6 years. I have been blessed to be a part of several different boards as the board changes every year. We have dealt with some critical issues for the future of the property owners association as well as more mundane things. We have hired new managers, fired new managers, and hired a new manager. I really appreciate Keven and I think you bring a new perspective for all of us. I have mixed emotions about leaving. I am delighted to be free of the responsibility, but I will miss this group. It has been a forward-thinking group and a very collegial group, and I have appreciated that very much. I challenge those who are staying on the board and the new folks coming on the board to allow me to take a moment to share the words of poet Amanda Gorman ‘*Be Brave enough to see the light, be brave enough to be the light.*’

Bill shared “I’ve enjoyed working with the team. I think one thing that a lot of folks sometimes think is that there are a lot of little hidden agendas at the board level. The board is an open book. We have been. Everybody on the board is looking out for the best interest of the property owners and the board. We really



have been on the same page with that. Even though we have differences, our meetings are open, our workshops are open, we publish our minutes online. I think sometimes people think we are a hidden group. doing things in secret. No - everything is open, everyone is invited, we have committees. I have learned that everybody here loves Terlingua Ranch and wants the best for Terlingua Ranch. There are challenges that we have now with COVID, with growth and with water but everybody is working toward solution. I appreciate working with everyone here.

Treasurer's Report by Rick Bradbury is attached at the end of these minutes.

Manager's Report by Keven Brinneman is attached at the end of these minutes.

Committee/Task Force Reports

Budget and Finance Committee report is attached at the end of these minutes.

Communications Committee report – There was no report.

OLD BUSINESS: There were no resolutions or agenda items brought for vote.

NEW BUSINESS:

Property Owner Communication - Was legal occupancy reduced during the start of COVID-19? We did close from mid-March to mid-May. We then began to open in mid-May and resumed full room occupancy offering as of June 1st.

2021 Board of Directors Election Results are attached to the end of these minutes. Ken Durham, Independent Vote Counter for the 2021 director election, read the election results noting that 2 votes separated places 5 and 6. Per the Policies & Procedures, less than 2% of the votes cast separating these places automatically triggers a recount unless the #6 place declines to have a recount. Scott Walker was in 6th place and declined to have a recount.

It was noted that places 1, 2, and 3 are 3-year terms and places 4 and 5 are 2-year terms.

Resolution to Ratify Election Results is attached at the end of these minutes.

The 2021 Board signed the Confidentiality/Code of Conduct & Release of Liability Documents and the 5 new directors were seated.

Election of 2021 BoD Officers

Rick Bradbury was nominated for President.

Record of voting - R Bradbury – No; R Bundy – No; K Dayton – No; P Green – No; C King – No; E Marcato – No; J Spofford – No; L Sunderland – No ; B Vogl – No

Chris King was nominated for President.

Record of voting - R Bradbury - Yes; R Bundy – Yes; K Dayton – Yes; P Green – Yes; C King – Yes; E Marcato – Yes; J Spofford – Yes; L Sunderland – Yes ; B Vogl - Yes



Rick Bradbury was nominated for Vice President.

Record of voting - R Bradbury - Yes; R Bundy - No; K Dayton - Yes; P Green - Yes; C King - Yes; E Marcato - No; J Spofford - Yes; L Sunderland - Yes; B Vogl - Yes

Russell Bundy was nominated for Vice President – No vote was taken as Rick was previously voted to Vice President position

Ed Marcato was nominated for Treasurer.

Record of voting - R Bradbury - Yes; R Bundy - Yes; K Dayton - Yes; P Green - Yes; C King - Yes; E Marcato - Yes; J Spofford - Yes; L Sunderland - Yes; B Vogl - Yes

Kelly Dayton was nominated for Secretary.

Record of voting - R Bradbury - Yes; R Bundy - Yes; K Dayton - Yes; P Green - Yes; C King - Yes; E Marcato - Yes; J Spofford - Yes; L Sunderland - Yes; B Vogl - Yes

Banking Resolution is attached at the end of these minutes.

New Director Orientation – There was discussion regarding the role of the board as a policy board. It was recommended that the book “The Policy Governance Model and the Role of the Board Member” by John Carver and Miriam Carver. This book can be purchased on Amazon.com. The cost is approximately \$25. Keven offered for POATRI to purchase and have available in the office for current and future board members.

Additional new director orientation will be by zoom meeting at later date. For those who are available today, Keven will conduct a tour of the physical facilities.

Standing Committee Assignments – These are the members as of the January/2021 board meeting. Property owners are encouraged to volunteer for these committees.

Budget & Finance Committee – Ed Marcato, Chair. Members are Bill Vogl and Jim Spofford.

Communications Committee – Rick Bradbury, Chair. Members are Bill Vogl, Kelly Dayton

Audit Committee -

Task Force Assignment

Water Task Force – Larry Sunderland, Chair. Members are Rick Bradbury, Kelly Dayton, Scott Walker. Keven will provide the other names to Larry that have already volunteered to serve on the task force.

Larry Sunderland moved to adjourn. Second by Russell Bundy.

The meeting was adjourned by unanimous vote at 1:25pm

Respectfully submitted,

Kelly Dayton,
Secretary



Treasurer's Report
Year End Financial Statements

I first want to let everyone know that our year-end financial statements have been posted to the POATRI web site available to all property owners. They include the P&L Budget vs Actual, the P&L with Prior Year Comparison, P&L by Class, Balance Sheet, and Cash Flow.

Our Ranch has come through a challenging year with the major event affecting our financial condition being the impact of Corona Virus. This caused us to shut down the Lodge in mid-March, halfway through our busy Spring Break season, and keep it closed for two and half months. As a result, our Lodge income was down by \$108,000 from 2019. In addition, it appears the Virus may have impacted our property owner's ability to pay, as our maintenance assessment collections were down by \$54,000 from 2019.

Despite these income losses our financial condition remains positive. The Lodge occupancy recovery is strong, expenses were reduced, and with the help of the PPP SBA loan of \$144,000, we have \$225,000 in our Operations account at year end. And the good news includes that our PPP loan has been completely forgiven. Here is a summary of our financial condition as of the end of December.

- POATRI had a Net Loss for 2020 of \$61,000. While it is a loss, it is much better than the loss we anticipated of \$221,000 when the impact of the Virus started last March. This is the result of a much better Lodge recovery than we expected, and expenses were \$55,000 less than in 2019. You will notice in our P&L by Class Report that we spent \$175,000 more on the Property Owner side that we took in in assessments fees, and, on the Lodge side we had a Net Profit of \$114,000 which helped offset that loss.
- Assessment collections were down from \$567,000 in 2019 to \$513,000 in 2020, a reduction of \$54,000. This means about 300 more property owners did not pay current or prior year fees.
- While Cabin Room Income was down from \$498,000 in 2019 to \$389,000, this Income level was better than our revised budget. In addition. Café Income was almost at the same level as 2019, RV/Campground Income almost doubled, and Retail Sales exceeded 2019 by 42%.
- Expenditures were less than 2019 by \$55,000, and we made no major capital expenditures.
- As I said previously, our year end cash balance for Operations is \$225,000, we did not touch our Contingency Fund, and, we have received formal notice that our PPP SBA loan of \$144,000 has been completely forgiven.
- Operations and the Board have established an operating budget for the new year, and we are continuing to review the Capital Expenditures plan for the year.
- We will be applying for the second round of PPP loans from the SBA, and we will be reviewing our Cash Flow, the Lodge Occupancy trend, and our overall financial condition on a regular basis in 2021.

This concludes our year end Treasurer's report. If you have questions, we will address them during the Budget & Finance Committee discussion.

Rick Bradbury
Treasurer



**Manager's Report
January 30, 2021**

Facility

We have a challenging year ahead with an aggressive revenue budget to accommodate the operation, renovations, and new plans for services for our community.

The lodge is now running a property management system connecting the operation, accounting and online reservations allowing the correct placement of rates based on seasonality.

The last quarter of 2020 we concentrated the efforts on fixing, repairing, and upgrading the facility with what we had available and making small purchases of materials and parts needed for the facility. This year we are planning to present an upgrade to the Laundry room for our community with water conservation concepts and extended hours of operation.

BBT telephone upgraded our internet service to 100/100 Mbps we will soon complete the mesh to connect all the facility to the same speed creating secure networks with firewalls for the ranch office and guest.

BBT is now expanding fiber optics construction to Lake Ament and soon to Gate 4.

EPI Communications Consultants will be conducting the expansion.

Employee Housing continues to be one of our main priorities based on the presentation of employee housing on October of 2020 we are just waiting for a resolution on the SBA loan for this project. SBA has not declined the loan, but we do not have any news yet. In case we do not receive the loan, I will present another funding option to make it happen.

PPP On January 11th we received the notification of our loan forgiveness for the first round for \$144,445.42. POATRI qualifies for round 2 of the PPP. The application will be submitted after January 30th with the new elected board of directors.

POATRI is now processing payroll with ADP.

ADP offers a complete HR package and payroll processing. Other acquired services included with the service are:

HR pro consultation helpline, background checks, legal services, legal shell insurance. These included services will potentially reduce the cost for legal services.

TRIPOD

- Email & phone correspondence with new and current PO includes verbal/written confirmation of current billing and contact information. TRIPOD account notes are diligently updated daily.
- New owner packets mailed upon creation of new TRIPOD account to ensure timely assessments are mailed and payments collected.
- Returned account statements are researched and TRIPOD account addresses are updated per



CAD address on file (if no tax due) or USPS returned mail notification. Account statements are remailed with updated addresses.

- Daily effort focused on redefining assessment fee to promote a better understanding of assessment fee (contribution) benefits, beyond road maintenance which includes community projects and necessary infrastructure upgrades for the ongoing improvement of our Terlingua Ranch community.
- Website updates made to educate and inform users of road maintenance specifics, manage accurate land for sale listings and ensure TRIPOD sync is completed weekly so information is updated and current.

Water

The Smith Well has been certified by Texas Commission on Environmental Quality from the November 2018 TCEQ conditions. The next step is to move forward with the construction of infrastructure and storage tank. Jacob & Martin LLC, will be consulting the study and producing the drawings.

I had the first meeting with the Board of Directors for Brewster County Groundwater Conservation District. The mission of the Brewster County Groundwater Conservation District is to **manage, protect, and conserve the groundwater resources**, while **protecting the property rights and promoting constructive and sustainable development in Brewster County**.

We need to participate with the Conservation District for founding, studies, and development of our water infrastructure. **The goal is to create 20-Year Long-Term Water Master Plan**

We need to know our water inventory, resources available, population and growth rate based on sustainability.

Maintenance will start using Green Water Tracing Dye, a Highly visible and distinctive fluorescent color can be measured using "black" ultraviolet light or precisely measured with a fluorometer. The formula is non-toxic and biodegradable. This technology will help us identify pipe leaks.

Restaurant

We are working hard on balancing the food cost at the restaurant with high quality ingredients and keeping the price point as low as we can. Chef Mike is creating an amazing dining experience for our community and visitors. Rique recently joined the team to support the management team of the restaurant. We have great plans for the Bad Rabbit Cafe with outdoor dining events.

Equipment

All ranch vehicles are now in operational conditions, including the Silverado 2500 4x4 Duramax for road maintenance.



POATRI Property Owners Association of Terlingua Ranch, Inc.
PO Box 638, Terlingua, TX 79852 (432) 371-3146

Dark Sky

We have the support from Dark Sky International to submit the application for Dark Sky Certified Community. The intention is to register the entire Terlingua Ranch as an International Dark sky Community. The process will take up to 2 years and will require us to include the Dark Sky International guidelines on lighting, enforcing, and promoting with education and compliance.

Changes on **POATRI** bylaws or Policies and Produces will be required.

ELIGIBILITY The Community must have some type of legal organization that is officially recognized by outside groups. This can be in the form of a town, city, municipality, or other legally organized community (such as urban neighborhoods and subdivisions) but need not be an incorporated entity. Unincorporated or otherwise informally organized communities are eligible for IDSC status if their governing jurisdictions enact public policy consistent with the requirements of Minimum Requirements for All Communities .

Keven Brinneman
Ranch Manager



**Budget & Finance Committee Report
January 30, 2021**

We thought as part of the BFC discussion we would provide our owners with a brief summary of how we have managed our way through the financial crisis caused by the Corona Virus emergency situation. The Corona Virus impact hit the Ranch when we had to close the Lodge starting in the second week of our busy March Spring Break season.

The Board met immediately and developed a team plan with Management and the Budget & Finance Committee to manage the Ranch through the rest of the year. The team developed a Contingency Plan, that included a new more conservative budget, and created a monthly cash flow projection for the rest of the year. Management was more conservative on managing expenses, and a process was set up for the team to meet every two weeks to monitor cash flow, expenses, and evaluate what action the Ranch should take. In the first estimate made in March, we projected the Ranch would reach a minimum Operations cash level in September and have to make critical decisions.

Some of the options the Ranch discussed were reducing staff, significantly cut other expenses, and possibly borrowing from our Contingency fund. Fortunately, we were able to open the lodge in June, and we started tracking the Lodge occupancy recovery rate on a weekly basis, and we used this data to update our monthly cash flow projection.

In addition, the Ranch applied for and received an SBA PPP loan of \$144,000, expenses were reduced by about \$55,000 from the 2019 level, and most importantly, the Lodge occupancy recovery was much better than expected with the last three months of the year being equal to or even exceeding 2019. In addition, the Café recovery also exceeded our revised plan, and RV and campground reservations, and retail sales exceeded our plan.

During the process Interim Ranch manager, Denese Jones, and Keven Brineman controlled expense and managed Operations, and our bookkeeper David Binion provided weekly occupancy data, which was essential to recalculate Cash Flow, which was reviewed by the team every two weeks. As a result of the focus and continuous monitoring, the Ranch was able to keep operating as close to normal as possible, we did not have to lay off any staff or borrow from our Contingency Fund, and we achieve the relatively positive results that Rick has reported.

Moving forward the Board, Management, and various committees will continue to monitor cash flow and overall financial performance and pursue the second round for another PPP loan.

Essentially what we lost in the Lodge income from the second week of spring break, our busiest time of the year, and the months of April and May. In addition, our maintenance fee collections were down \$54,000 from 2019. Our original estimate is that we would reach a minimum Operations Cash Balance in September this year.

Ed Marcato
BFC member



OFFICIAL COPY

POATRI Ballot Summary - adjusted for replacements NOT in database

Voter List Date: 12/1/20 at 4:51 PM

	Including Replacements	
Property Owners In Good Standing	2711	
Total Ballots Received	601	
Valid Ballots	582	2% = 12 50% = 291
Part of Quorum	443	
Not part of Quorum	139	
Invalid Ballots	19	

Rank	Name	Count
1	Marcato	482
2	Vogl	451
3	Spofford	335
4	Dayton	303
5	Sunderland	297
6	Walker	295
7	Leland	279
8	Foltz	143
9	English	142

*Presented by KENNETH S DURHAM, IVC
January 30, 2021
K Durham*



RESOLUTION BY THE BOARD OF DIRECTORS

Discussion: WHEREAS,

the ballot summary gave enough votes to Ed Marcato, Bill Vogl, Jim Spofford, Kelly Dayton, and Larry Sunderland

Therefore;

BE IT HEREBY RESOLVED the 2021 Election results be ratified.

Effective Date: January 30, 2021

Motion By: Chris King

Second: Rick Bradbury

Ayes: 6 Nays: 0 Abstain: 0 Absent: 1

Record of Voting:

R Bradbury - Yes; R Bundy - Yes; P Green - Yes; C King - Yes; K Pothier - Yes; C Small - Absent.

B Vogl - Yes



**BOARD OF DIRECTORS
OF
PROPERTY OWNERS ASSOCIATION OF TERLINGUA RANCH, INC.
Date: January 30, 2021**

BE IT HEREBY RESOLVED: That the following persons be authorized to sign checks and make transfers on all bank accounts maintained at West Texas National Bank

Chris King, President

Rick Bradbury, Vice President

Ed Marcato, Treasurer

Kelly Dayton, Secretary

BE IT FURTHER RESOLVED: That the following persons are authorized to sign checks and make transfers from the Reserve Account maintained at Fort Davis State Bank, and the Contingency Fund account maintained at West Texas National Bank.

Chris King, President

Rick Bradbury, Vice President

Ed Marcato, Treasurer

Kelly Dayton, Secretary

Approved by the Board of Directors on January 30, 2021

Motion By: Chris King

Second By: Rick Bradbury

Ayes: 9 Nays: 0 Abstain: 0 Absent: 0

Attest:

Chris King, President

Kelly Dayton, Secretary

Record of Voting :

R Bradbury - Yes; R Bundy - Yes; K Dayton - Yes; P Green - Yes; C King - Yes; E Marcato - Yes; J Spofford - Yes;

L Sunderland - Yes ; B Vogl - Yes