



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

BOARD OF DIRECTORS' QUARTERLY MEETING

SATURDAY, JULY 31, 2021

Call to Order: by President Chris King at 10:08 am

Roll Call and Certification of Board Members: by Secretary Kelly Dayton (P-Present; A-Absent)

Rick Bradbury-P__, Russell Bundy -P__, Kelly Dayton-P_, Phillip Green-A__, Chris King-P__, Ed Mercato-P__, Jim Spofford-P__, Larry Sunderland-P__, Bill Vogl-P__

We have a quorum.

Invitation for Public Service Announcements: On August 13, 2021 we invite Property Owners to join us for a music night with Gary Gorence at the Bad Rabbit. Please follow the POATRI Facebook page for updates.

Acceptance of Minutes: The minutes for the April 2021 Quarterly meeting were e-mailed to all directors and posted on POATRI.org. Russell Bundy moved the minutes be accepted as emailed. Second by Rick Bradbury. The minutes were accepted.

PRESIDENT'S REPORT by Chris King

Treasurer Report by Ed Mercato is attached at the end of these minutes.

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

Budget and Finance Committee: by Ed Mercato is attached at the end of these minutes.

Communications Committee: We are working on putting together a newsletter and regularly updating social media. Any ideas for submission, or what you would like to see included can be emailed to Bill Vogl.

Water Committee: by Larry Sunderland is attached at the end of these minutes.

3-Mile Task Force: No report provided.

OLD BUSINESS: Continue to address Dark Sky issues as well as hosting Star Parties.

NEW BUSINESS:

Property Owner Communication: Thank you to all the employees and property owners who spoke at the meeting. Concerns voiced were employee housing, water, ground pipes in the Lodge area, dark sky, education and information dissemination, new property owners, SBA loan update, communication, inclusion and better ways to work together as a community.

Other Business:

Due to increasing concerns regarding dark skies, it was verbally voted upon to create a Dark Sky Task Force. Dark Sky Task Force will be chaired by Rick Bradbury. Record of voting: Rick Bradbury-Y__, Russell Bundy -Y_, Kelly Dayton-Y_, Phillip Green-A_, Chris King-Y_, Ed Mercato-Y__, Jim Spofford-Y__, Larry Sunderland-Y__, Bill Vogl-Y_

A resolution was passed to create a Water Committee. Record of voting: Rick Bradbury-Y__, Russell Bundy -Y_, Kelly Dayton-Y_, Phillip Green-A_, Chris King-Y_, Ed Mercato-Y__, Jim Spofford-Y__, Larry Sunderland-Y__, Bill Vogl-Y_

A resolution was passed to include a standing Water Committee into the Bylaws. record of voting: Rick Bradbury-Y__, Russell Bundy -Y_, Kelly Dayton-Y_, Phillip Green-A_, Chris King-Y_, Ed Mercato-Y__, Jim Spofford-Y__, Larry Sunderland-Y__, Bill Vogl-Y_

Committee Assignments:

Rick Bradbury was assigned to chair the Dark Sky Task Force.

Bill Brown was assigned to the Dark Sky Task Force.

Larry Sunderland was assigned to chair the Water Committee.

Chris Leland was assigned to the Water Committee.

Adjournment:

Chris King moved to adjourn. Second by Rick Bradbury.

Meeting adjourned by unanimous vote.

Respectfully submitted,

Kelly Dayton

Secretary

Ranch Manager Report

Board of Directors Q2 2021

July 31st 2021

The monsoon season came with a usual pattern of rains and making it very difficult for road crew to respond quickly to our community needs. Our first priority is to work on unpassable roads and working our way with shovels filling washed-out spots with material so people can get across the road. One of the maintainers was down for weeks waiting for the caterpillar technician to fix a hydraulic pump issue. Our heavy equipment is capable to perform preventive and corrective road issues but the cost of moving heavy equipment plus the wear and tear takes a toll on our resources when "mother nature has the final say on our roads". And just to put it on context the recent repair of the 120H was \$7,533.28 is equivalent to 41 yearly account assessments.

Working with road crew and traveling our roads I see a clear need for smaller equipment, I am contemplating different options on Compact Excavator or Compact Loaders under 4,000 lbs. to haul on a trailer for a rapid response to our road needs. A program I called "Scout and repair" and move one without the need of heavy equipment. Our 2021 budget vs actual is looking good and savings are made month over month by working more efficient on our rapidly growing community.

Special thanks to road crew for the hard work and to all property owners who are making their payments on 2021.

Your assessment helps the greater good for our community.

Property Owners Information Desk is here to help you, if your account is past due or behind, we have a payment plan to help you, help our community as a whole.

Water

We are now on the final phase of the none potable water sales infrastructure upgrade.

The system is now controlled by a batch dispensing system and filtration system. The final upgrade is a dual delivery system

A breakthrough on our water infrastructure is the soon to be install sounding tube, with this technology we will know the static level of our well, usage and recharge. This is part of the water conservation and management initiative.

With accurate data we can make accurate decisions for our future.

For the past months I been working on the 911 map for Terlingua Ranch. The maps will be updated quarterly if changes, errors or misplacements are found but is the most accurate map we ever had for the ranch with road names and dots for where the address is located. The map will make it easy to find an address and package deliveries.

For Package delivery, please help them with phone number and accurate address information as it is on your council of governments 911 address.

Bad Rabbit Café

Managers' report from 1987: *The restaurant is not designed to make a profit, but any type of substantial loss cannot be allowed.* – Mark Bennett

This is an old problem and we need a new solution. We are working on a program and creating the **"Owners Discount Card"** for POATRI

As we know we already pay a premium price on all goods sold to south county, based on a remote location and on top of that we are experiencing an inflation rate of 5.4% making it very difficult to sustain restaurant prices at the same rate as 2019 or 2020

The **"Owners Discount Card"** will adjust any menu pricing increase to a competitive **Owners Price** as the consumer pricing adjust and the Bad Rabbit Café pricing reflects the reality of our economy.

This program will support your membership to POATRI, please support your restaurant.

We are working to bring back the Terlingua Ranch Newsletter. We are looking for community input and articles of interest. Please submit your articles to manager@terlinguaranch.com

I am always available to assist the community of Terlingua Ranch, if you have a question, please reach out to me at manager@terlinguaranch.com and for the most accurate information of everything around the Terlingua Ranch please check our websites www.poatri.org and our Facebook pages. Like and subscribe



RESOLUTION BY THE BOARD OF DIRECTORS

Discussion: WHEREAS,

The POATRI Board of Directors and Manager have determined that water is a critical Ranch resource in need of oversight.

Therefore;

BE IT HEREBY RESOLVED: to add the Water Committee to list of the standing committees in the Bylaws.

This resolution ☐ amends ☐ replaces ☐ revokes ☒ adds

☒ Definitions ☐ Article _____ ☐ Section _____ of the ☒ By-laws

☐ Policy and Procedures Manual ☐ _____

☐ Article _____ ☐ Section _____

Effective Date: July 31, 2021

Motion By: Chris King

Second: Russell Bundy

Ayes: 8 Nays: 0 Abstain: 0 Absent: 1

Record of Voting:

R Bradbury - Y; R Bundy - Y; K Dayton - Y; P Green - A; C King - Y; E Marcato - Y;

J Spofford - Y; L Sunderland - Y; B Vogl - Y

KDA - Secretary Kelly Dayton



RESOLUTION BY THE BOARD OF DIRECTORS

Discussion: WHEREAS,

The POATRI Board of Directors has added the Water Committee to the Bylaws as a standing committee.

Therefore;

BE IT HEREBY RESOLVED: The following purpose, responsibilities, and membership of the Committee are to be added to the Standing Committees in the Board of Directors Procedural Manual.

The purpose of the Water Committee is to provide both research and direction for a water management plan for Terlingua Ranch, and to provide education to property owners with regard to water sources, usage, and conservation.

The responsibilities include providing ongoing and contiguous oversight of the water conditions on Terlingua Ranch, and provide research, analysis, and guidance with regard to water distribution and conservation to the Board of Directors and Management.

The Committee will be chaired by a Board Member, who with the Ranch Manager will select members as needed from the Board, employees, other committees, and property owners.

This resolution ☐ amends ☐ replaces ☐ revokes ☒ adds

☐ Article _____ ☐ Section _____ to the ☒ Board of Directors Procedural Manual

This resolution ☐ amends ☐ replaces ☐ revokes ☐ adds

☐ Article _____ ☐ Section _____ of the ☐ By-laws

☐ Policy and Procedures Manual ☐ _____

☐ Article _____ ☐ Section _____

Effective Date: July 31, 2021

Motion By: Chris Ring

Second: Jim Spofford

Ayes: 8 Nays: 0 Abstain: 0 Absent: 1

Record of Voting:

R Bradbury - Y; R Bundy - Y; K Dayton - Y; P Green - A; C King - Y; E Marcato - Y;

J Spofford - Y; L Sunderland - Y; B Vogl - Y

POATRI Board Meeting 2021 Q2

Treasurer's Report – June 30, 2021

Ed Marcato

Treasurer

I first want to let everyone know that our 2021 Q2 financial statements have been posted to the POATRI web site available to all property owners as of Friday a week ago. They include the P&L Budget vs Actual, P&L by Class, P&L with Prior Year Comparison and Balance Sheet.

Our recovery in Q2 from last year continues strong with revenues exceeding budget in all categories.

Here is a summary of our financial condition for 2021 as of June 30:

- Property Owner assessment collections as of June 30 were \$523K vs a budget of \$484K. However, most of the collections were in Q1, and we were under budget in Q2. We project that we will recover to the pre-COVID year level in 2019, which means that we have approximately 54% of our owners pay annual assessment fees.
- Lodge revenue continues to grow as folks begin to travel more. All of our revenue from cabins, the café, RV, and Retail were over budget, most by a significant amount.
- Expenses exceeded budget by \$30K, related to the increase in the Lodge business. For example payroll expenses were over budget by \$14.6% and utilities over by \$16.7%. Cabin revenue was over budget by 29%, café revenue over budget by 24.5%, and Retail over budget by 40%.
- Overall our Gross Profit from Revenue was \$1,044K vs a budget of \$929K, and our Net Income for 6 months is \$340K vs a budget of \$255K – or, 33% better performance than budget.
- On the P&L by Class report you will notice that our Net Income for the Property Owner side of the business is \$125K, and, on the Lodge side \$214K.
- Our Operations Cash Balance is \$612K, part of this resulting from the PPP loan of \$144K that we received last year. Our Capital reserve fund remains at \$152K and our Contingency fund at \$209K.
- We have made no significant Capital Expenditures so far this year, but, will review expenditures for possible projects during the second half of the year.

It was announced last quarter that we hired Pace & Assoc. of Alpine to do our 2020 taxes. We also requested that they perform the required annual audit or financial review. Unfortunately they have responded they cannot take on any new clients for this service, but they provided a reference to a CPA in Midland, and we have a call set up this coming week to discuss this project.

That concludes our Q2 Treasurer's report.

Water Committee

Purpose: To oversee the water conservation measures for the Property owners of Terlingua Ranch.

How: Provide research and oversight for Manager, Board, and Property Owners to make informed decisions regarding our shared water resources and to educate property owners on how to provide for their own personal water security.

Tasks to perform:

1. Evaluate current system and provide research and report on first steps for immediate water conservation measures.
2. Develop and institute a website to share information with property owners
3. With Budget and Finance committee members and Ranch Manager input evaluate and rank all actions and proposals based on financial feasibility and cost effectiveness.
4. Provide ongoing research to support manager and boards actions.
5. Maintain and manage volunteer coordination efforts to provide able volunteers for working groups to assist manager in his research and implementation of chosen actions.

Committee leadership to be made up of board member chairman, to be chosen by board, and a member of the Budget and Finance committee.

Volunteers from property owners to be chosen and skills evaluated to provide ranch manager with a pool upon which to draw for various working groups as needed.

Water Committee

1. The purpose for the Water Committee is to provide both research and direction for a long term water management plan for Terlingua Ranch, and, to provide education to property owners with regard to water sources, usage, and conservation.
2. The committee will be chaired by a Board Member, who will recommend members as needed from the Board, employees, other committees, and property owners, to be approved by the President of the Board.
3. The committee's tasks will include:
 - Initial research and evaluation of the current Ranch water system and provide first recommendations for water distribution and conservation measures.
 - Develop and institute a website page(s) for the POATRI web site to provide water supply and conservation information to property owners, with periodic updates as new information becomes available.
 - Establish an ongoing process to measure and track the Ranch's ability to provide water to our property owners, and, recommend distribution and conservation policies to the Board and Management.
 - Solicit and work with state and federal agencies in an ongoing effort to research and quantify water resources available on the Ranch.
 - Work with property owners to provide capable volunteers for research projects, preparation of information for the Board and Manager, and to participate in water well analysis projects.
 - Provide ongoing and contiguous oversight of the water condition on Terlingua Ranch and provide research, analysis and guidance with regard to water distribution and conservation to the Board of Directors and Management.