



P.O.A.T.R.I.

Property Owners Association of Terlingua Ranch, Inc.
PO Box 638 Terlingua, TX 79852

(432) 371-3146

POATRI BOD July 2022 Meeting Minutes

Call to order

The Quarterly Board of Directors meeting was called to order at 10:03am, Saturday, July 30, 2022.

Roll Call and Certification of Board Members by the Secretary (P = Present and A = Absent) Jim Spofford – P; Larry Sunderland – P; Ed Marcato – P; Brad Anthenat – P; Bill Vogl – P; Russell Bundy – P; Barbara Levedahl – A.

Announcements

Invitation for Public Service Announcements –none.

Approval of minutes

Acceptance of Minutes as Presented – Brad Anthenat Secretary. Minutes for the July 2022 quarterly meeting were emailed to the board. E Marcato moved and L Sunderland seconded the approval of the minutes as emailed. The minutes were approved with J Spofford, L Sunderland, E Marcato, B Vogl, R Bundy and B Anthenat voting Yes. B Levedahl absent.

Reports

The full President's report by Jim Spofford is attached at the end of these minutes.
The full Treasurer's report by Ed Marcato is attached at the end of these minutes.
The Ranch Manager's report was covered by Jim Spofford in the President's report.

Committee/Task Force Reports

Budget and Finance Committee – Currently is continuing monthly meetings and reviews.

Communications Committee: 2,600 property owners do not have their email address registered with POATRI. The committee is encouraging all property owners to provide their email address to property owner services. This will allow the newsletter to be emailed and not physically mailed to property owners. The expense of physically emailing the newsletter to property owners has increased significantly. Brad reported that Haley DeArman already had the Q2 Newsletter written and ready to be emailed. Brad also requested that if any property owners have any ideas or suggestions on how to improve communications to please contact him with any suggestions.

The full Water Committee report by Larry Sunderland is attached at the end of these minutes.

Manager Search update: A task force was formed with Ed Marcato and Brad Anthenat co-chairing the manager search. Bill Vogl and Russel Bundy also helped with interviews and reviewing resumes. They held weekly meetings starting in May and are happy to report that Cris Turley was hired for the Ranch Manager position.

Dark Sky task force – Barbara Levedahl. Stephen Hummel from McDonald Observatory met with Jim at the lodge. Stephen identified several areas where the lodge could improve lighting and be more compliant with the Dark Skies initiative. We can improve by looking at different landscaping lights, different lights at the office, lights at the stairs to the Bad Rabbit Café, street lights, and side lights by the café. These lights have been ordered and we are working to become a dark sky compliant location.

Ranch Manager

Email: manager@terlinguaranch.com

Property Owner Services

Email: propertyinfo@terlinguaranch.com



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New Business

Discussion about the Procurement Policy and making changes to it. Several changes were discussed but no agreement was made on final wording. This was shelved until the October workshop and meeting.

Discussion about creating a Grant Task Force. President Spoffard created the Grant Task Force with Barbara and Larry heading it.

Resolutions

No resolutions were voted on.

Property Owner Speakers

Each speaker is limited to 3 minutes. Sign-up in advance.

Marilynn Anthenat – Asked about election dates.

Applications accepted starting September 1, 2022. 4 positions open.

Applications no longer accepted October 28, 2022 at 5PM.

Voters list created on Tuesday November 29, 2022.

Ballets mailed to eligible voters no later than December 12, 2022.

Results announced at the January 28, 2023 board meeting.

Mark Chiles – Suggested starting the meetings with a prayer and a pledge. He welcomed Cris and Rosie. Suggested A/C in the bunkhouse. Wanted to encourage the board to remain transparent. Suggested that the Ranch also needs an assistant manager in addition to the manager.

Jerry Brewster – Encouraged the board members to make the best decisions for the property owners. Jerry gave a banner to the Ranch that he hoped would be hung in the café. “Getting old ain’t for sissies”.

Bob Youngberg – Wanted the board and community to think about water conservation. Wants fire/EMS services for the local Ranch area. Encouraged the board to buy a used fire truck.

Adjournment

Brad Anthenat moved, and Larry Sunderland seconded to adjourn. All directors present were in favor. The meeting adjourned at 12:31 pm.

Respectfully submitted,

Brad Anthenat

Secretary

POATRI Board of Directors



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President's Report July 30, 2022 – Presented at the Q2 POATRI Board Meeting

This report will be the last combined President's/Manager's report prepared by me. The Board's hard work in searching out, interviewing, and vetting many fine candidates for the position of Ranch Manager has come to fruition with the hiring of Cris Turley. Cris's background and experiences check a broad number of boxes needed for this multifaceted position. I suspect most of you will come to appreciate the work, dedication, and insights he will provide for our organization.

The last eight months have been both challenging and rewarding for me. I very much appreciate the extra efforts of many of our employees and the added support provided by many of our board members, who took on critical portions of my management responsibilities to help me get through this time.

In this last quarter, we've made considerable progress on several projects, including many of the capital projects approved in January. That said, we still have many other projects that need to be addressed. I suspect many of you have projects you feel should be at the top of our list. In my eight months in the ranch office, I've gathered over 100 projects needing attention. Many of these have come from fellow property owners. These range from smaller projects to important projects involving our water systems and the roof of our Cafe.

To help navigate our priorities and balance our efforts against our budget, I've instigated a backlog process to help us track, evaluate, research, estimate, and prioritize our extensive project list. We now have weekly backlog meetings in which key members of the staff review the projects, document our options, and record our findings. This gathering of minds will help us move forward in a more directed and efficient manner.

We will be publishing a version of this backlog for your review in the near future. If you find things we've missed or have options we haven't considered, please let us know.

Two great examples of using this new backlog process occurred recently. In one case, Rick Bradbury came to me with an idea that may save us \$1,500 per year. Such an idea could easily get lost in flood of daily management tasks, but instead, we were able to add it to our backlog. It will now be researched and prioritized along with the other projects. The other case was one in which our new manager, Cris Turley, suggested an option we had not previously considered for our water systems. This option may well turn out to save us a considerable amount of money while simultaneously reducing our risks when compared to our existing options. Thank you both.

I appreciated the support of my fellow property owners and your desire to help make our Ranch a better place for all 5,000 of us. Please stop by the office the next time you are near and say hello to Cris. He too will appreciate your support.

Sincerely,
Jim Spofford



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Treasurer's Report July 30, 2022 – Presented at the Q2 POATRI Board Meeting

Review of our financial Performance as of June 20, 2022:

- First an overall summary:
 - o Our Gross Profit at six months is \$1,149,893.63, and we are \$92,026 higher than budget.
 - o Our Expenses are \$718,899, which is \$15,126 over budget.
 - o Our Net Income is \$430,995, and we are \$76,950 higher than budget.
- Assessment collects are \$569,000, and we are \$20,000 above our budget. I also note that \$13,000 of the \$20,000 is from payments for prior years and from Volunteers. This is the result from Property Owner Services, and we thank Hayley and Melissa s for their follow up work, reminders and phone calls that generated this revenue.
- Cabin income is \$394,000, and we are \$29,000 above our budget. However, we have seen a drop off in May and June, which were below budget, possible due to gas prices. We will watch this trend over the next months to determine if this will impact our expenditures.
- Café Food and Alcohol income is \$174,500, and we are \$9,500 below our budget. The causes for this, like Cabin Income, could result from higher gas prices, but also, we had to close the restaurant in January for a couple of weeks, and this quarter, we have been so short staffed we have to close the Cafe two days a week.
- The good news on the Café is the Cost of Goods Sold for Food has been reduced from a range of 54% to over 60% in recent years to 39.3% so far this, and, for alcohol, the Cost of Goods Sold has been reduced from 51 to 53% in recent years to 41%. These significant decreases are due to the management and control by Pam of the Café operation and for the control of inventories of Food and Alcohol with Jerry's help to secure the areas for these inventories.
- Retails Sales are \$33,000, and we are \$13,000 above the budget.
- RV & Camping sales are \$35,500, \$4,500 over budget.
- Other Lodge income, of which the largest part is Water Sales, is \$29,000, and \$9,000 over budget.
- Expense categories are running close to budget, with some slightly over budget and some under budget. One account, Credit Card Fees is running significantly over budget. Part of the reason is higher than budget income categories, and I think when the budget was put together we were thinking only of the Cabin Income, and we receive credit card payment in all the on the Income categories as well.
- In January we approved \$199,000 for 5 Capital Expenditure Projects. As of June 30 we have spent a little over \$100,000.
- As of June 30 our Operations Cash Balance I \$738,462, and just under \$100,000 is committed to the Capital Expenditure projects.

Other items to report are –

Our new Auditors, Lauterbach Borschow, indicate they will complete the financial reviews for 2019 and 2020 in the next few weeks, and then start on the full audit for 2021. We are about a month behind mostly due to people being out with COVID affecting our ability to provide all the information and answer all the questions from the auditors. A problem was brought up at our last meeting about accounts with negative balances on our Balance Sheet, and that this should not happen. We have analyzed the 10 accounts with negative balances, and we know to resolve 6 of the accounts. Four of the accounts



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need further analysis. The adjusting journal entries to eliminate the negative balance will be done by both our auditors with their year end closing journal entries, and by us as we make corrections over the next quarter.

We are pleased to announce that Debbie McLarty has taken the position of our new Bookkeeper just a few weeks ago, following Dave Binion's departure. Debbie has been putting in lots of hours and effort to learn QuickBooks and our bookkeeping processes and she has already run our payroll system accomplished the June closing to produce our second quarter financial statements. Welcome Debbie and we look forward to working together.

This completes the Treasurer's report for Q2.

Water Committee Report July 30, 2022 – Presented at the Q2 POATRI Board Meeting

Larry Sunderland – Water Committee

We continue to work with Jacob Martin Engineering on the Smith Well Pump Station and Disinfectant Design.

The system wide water line pressure study is complete and we are waiting for the results and the final determination from Texas Commission on Environmental Quality on the steps we need to take to achieve compliance with current public water supply systems regulations.

Over this last quarter our excellent Maintenance staff has been hard at work.

The Smith Well Emergency Power Supply is now operational. It was mandated by the state to ensure that water can be delivered throughout our supply system during extended power outages.

A new chlorine pump and mixing tank has been installed at the Upper Storage tank. It will complement the one at the Smith Well. It allows us to better balance our Chlorine levels throughout the system.

A new RV dump station is under construction. It will replace the old failing station. It was critical to get this up and running before our busy season. Its new location will be across the road and just beyond the junction with the road from the upper RV sites.

We continue to explore strategies for maximizing and managing our existing available water resources: our current wells, rainwater capture from our buildings, and reclaiming and reusing water.

The more we can use these measures to reduce our need for groundwater extraction for our facilities, the more secure our water future will be. This is a worthy long-term goal. More immediately, we cannot ignore the fact that we are dependent on one potable well to operate our facility.

We have entertained options that include drilling a new well or bringing an old existing well online that meets potable standards.

A new well is costly and trying to get an existing previously unlicensed well approved is not only costly but the assurance of approval is not guaranteed.

At the workshop yesterday, our new Ranch Manager, Cris Turley, suggested that we consider a small water plant that could produce treated potable water from a number of our better non potable wells along with the Smith Well, allowing us to monitor and balance our well use and more surely secure our supply without the uncertainty of the well drilling process an added benefit, for property owners, would be our ability to



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provide potable water in bottled and bulk form. He and I will begin to explore this option.

We believe there are government grants out there that are available to help us with our water system upgrades, water capture, and reuse measures. The new Grants Task Force will get to work discovering what is available and update the board and property owners at the October meeting.

Looking out beyond these efforts, we are aware of the difficulties that property owners, who live at the far ends of the ranch, have in getting to the headquarters for water. Also how during extended dry periods those with catchment struggle to secure enough water. Our responsibility has to be to secure our water supply for our facility and make water available for hauling. Our population grows and the demand on our system grows. Providing water has the unfortunate side effect of creating unsustainable dependencies and the belief that we can always provide. But I have to believe there are personal and community based strategies that can address these situations even though our responsibilities cannot go beyond our current services. I commit to exploring this issue with those of you who are remote or who cannot capture enough water to meet basic needs. All solutions start with understanding the problem. Reach out to me at my POATRI email so I can begin to gather information and begin the dialog with you.

(l.sunderland@poatri.org)

Larry Sunderland

Bradley Anthenat
Secretary

Date of approval