

## Minutes of the January 2025

### Board of Directors Meeting

Resolution: A motion was made by Brad Anthenat and seconded by Marbert Moore to nominate Amy Law to a temporary board position for the purpose of maintaining a quorum.

Call to Order: President Brad Anthenat called the public meeting to order.

Roll Call and Certification of Board Members: by Vice President Adam Daley.

Adam Daley – Present; Brad Anthenat – Present; Jim Spofford – Present; Larry Drgac – Present; Marbert Moore – Present; Bill Vogl – Absent; Amy Law – Present

Resolution: A motion was made by Brad Anthenat and seconded by Marbert Moore to nominate Adam Daley to serve as Secretary for the January Board Meeting.

Public Service: At 9:30 on Tuesday, January 28th, Brewster County Commissioners Court meeting, with the architect for the proposed South County Visitor's Center presenting. All residents were encouraged to contact the county to work on their portion of the Ranch Road. Contact the road and Bridge committee or County Commissioner Ruben Ortega.

Acceptance of Minutes: Vice President, Adam Daley

The minutes from the October quarterly meeting were sent to the directors and posted on poatri.org. Brad Anthenat moved to accept the quarterly meeting minutes as presented and Jim Spofford seconded. The minutes were accepted with Amy Law abstaining.

President's Report by Brad Anthenat

POATRI President's Report, January 25, 2025

I'm happy to present the President's Report for the 2025 January quarterly board meeting.

First I would like to congratulate Aaron Smith for completing his 6-month probation period. As our new operations manager, Aaron Smith joined us after the July board meeting and has been quickly catching up on all the tasks that an operations manager has to be aware of, he's doing an excellent job and I look forward to all the stability he has brought to the organization. As we reflect on the past twelve months, POATRI can take pride in the strides we've made together not only as a property owners association, but also as a community. As a board our main focus was on hiring a manager that would

succeed in their role. Other primary focuses are always roads and water conservation. The future of POATRI and our operations hinges on owners paying their assessments. Two years ago at the January meeting, the board set a goal of having 90%, or more, of property owners paying their maintenance fees within the year they are assessed. Over those two years we have been learning how to best make this program work.

We approved flexible payment options for property owners that were severely delinquent. We understand that financial situations can vary, and we are open to working with members who are facing financial difficulties but want to become current on the fees.

The program to date has been successful in bringing over several hundred thousand dollars in back fees. We want property owners to voluntarily become in good standing without having to go through the legal processes, but in some cases, legal actions may be necessary to recover past dues. We want to make it clear that we have retained a debt collection legal team whose recourses may include pursuing foreclosure. I urge all members to review their account status and make every effort to bring their assessment fees up to date.

Our commitment to water conservation and preserving our natural resources for future generations is another focus. The TCEQ work done on the Smith well is 99% completed and the final two sounding tubes will be installed. These sounding tubes will allow more detail monitoring of the wells to determine the production of water from those wells.

As we look ahead to this year, there are undoubtedly new challenges and opportunities on the horizon. By building upon the successes of the past year and remaining united in our vision for a vibrant and thriving community, I am confident that we will continue to achieve great things together.

In closing, I would like to extend my thanks to each and every director, committee members, Aaron Smith and the staff of the Ranch for your contributions, dedication, and support throughout the year. It is your collective efforts that make our community such a wonderful place to call home.

Respectfully submitted,

Brad Anthenatley Anthenat, President – POATRI

Operations Manager's Report by Aaron Smith

Overview

As we wrap up Q4 2024, I reflect on another quarter of growth and challenges at Terlingua Ranch. Here's where we stand:

**Water System Strain:** Our initiatives have mitigated some of the strain on our non-potable water supply, but we continue to look for sustainable long-term solutions. Restrictions were not utilized as the pool well was available for supplementation.

**Late or Non-Payment of Assessments:** We've made strides in collection, yet this remains an area requiring constant attention. We plan on continuing to utilize the lawyers to pursue foreclosure on selected properties.

**Road Maintenance:** With over 1000 miles of roads, we've managed significant improvements, but the work is ongoing. We continue to provide prompt service to those who report their road issues to us.

**Staff Recruitment and Retention:** Despite the challenges, we've stabilized our workforce, though we're always on the lookout for great talent. Our manager in the café resigned and Dre is stepping up again to make sure the café runs well.

**Enhancing Guest Experience:** Our efforts have led to more repeat visitors and extended stays, which is a testament to our improving environment. We continue to improve our guest experience and we have converted two of our cabin rooms into King Suites.

**Key Achievements in Q4:**

**Events and Activities:** We've successfully expanded our event schedule, introducing activities that have enriched community life. From Movie Nights to Live Music to Karaoke to seasonal celebrations, these have been steadily seeing more engagement.

**Remodeling Projects:** Planned cabin enhancements are now complete on the rooms that needed attention, and the outdoor areas have been more utilized providing guests with more enjoyable spaces.

**Water Conservation:** We've not only maintained our conservation practices but also increased owner awareness, contributing to more sustainable water use. Our tracking and controls of water sales have improved significantly.

**Improved Communication:** Having a weekly leadership meeting has provided the communication needed to ensure we are all working to achieve the same goals for the Ranch.

**Road Work:** Road repairs have been completed, ensuring better access for all property owners and reducing dust issues. The road crew teams are working together to divide and conquer the expansive area we have to cover to keep all the roads up to par.

**Staff Highlights (Q4 Performance)**

Hayley Dearman, Property Owner Services: She's managed to increase the assessment payment rate, keeping our financials on track. She is always there to answer Property Owner questions and listen to their complaints. She works hand in hand with Road Crew to make sure the Owners are well taken care of.

Debbie McLarty, Financial Management: Her efforts ensured a smooth transition into the new fiscal year, with all financial records in impeccable order. She is always willing to lend a helping hand to make sure the Ranch is running great!

Maintenance Team, Justin Jones: They've tackled everything from winterizing to emergency repairs, ensuring our infrastructure's resilience. Every department here heavily relies on our Maintenance team to ensure operations continue to run smoothly.

Road Crews, Dennis Nance: Their hard work has left our road network in the best state it's been in years. They are always ready to jump when the opportunity presents itself to repair and maintain the roads here on the Ranch.

Café Staff, Dre Williams: Seasonal menu items were a success, bringing new visitors to the Bad Rabbit Café. The café has done a great job earning our regular customers back.

Front Desk, Patti Mason: She's been pivotal in managing the holiday rush, ensuring guest satisfaction remained high. Our front desk area has never looked better or had more selections for our guests.

Housekeeping, Sarah Holt: Team has been doing an amazing job staying on top of keeping our guest-facing spaces looking great as well as her team receiving very high praise from our guests and property owners.

Human Resources, Shannon Andrews: She's managed to keep morale high and has laid groundwork for next year's staffing needs. We are constantly working to maintain full staffing levels even with the short-term employees and seasonal staffing adjustments.

## Conclusion

As we conclude Q4, I want to extend my heartfelt thanks to our team for their relentless efforts. We've addressed many challenges head-on and have made Terlingua Ranch a more vibrant and welcoming place. We've built on the successes of Q3, and while there are always areas for improvement, I'm proud of how far we've come. Here's to a successful 2025, where we continue to make our Ranch a community we're proud of.

Treasurer's Report & Budget and Finance Committee Report January 2025 by Marbert Moore

Committee Overview

The Budget and Finance Committee includes:

Jim Spofford

Linda Shank (Retired CPA)

Dave Johnson

Our financial reports have been prepared with assistance from Aaron Smith (management) and Debbie McLarty (bookkeeping). These reports are available as handouts on the back table and will also be posted online at [poatri.org](http://poatri.org).

## Financial Reports Overview

### 1. Balance Sheet

The balance sheet shows assets and liabilities for the year 2024. The Balance Sheet shows what we have and what we owe, while the Profit and Loss reports is where we account for revenue and expenses.

Two savings accounts (Reserve Account and Contingency Account) have been moved into CDs as of last summer, so those accounts are now earning interest.

Starting January 1, 2025, for clarity, the financial chart of accounts will be reorganized to display the CDs in the checking and savings accounts.

The new investment account with Morgan Stanley allows for easy transfers of money from the interest-bearing account to the operating account as needed. This account currently earns 4% interest.

### 2. Profit and Loss Reports (P&L)

The Comparative P&L details revenue and expenses for labor, supplies, and services for the year 2024.

The Budget vs. Actual P&L shows year-to-date revenue and expenses compared to the approved budget.

A Class P&L Report breaks down financial activity by program areas such as lodge operations and road maintenance.

## Assessment Collection Reports

We have shown a detailed report that highlights assessment collections over the past five years.

Annual Revenue Comparison: Displays collections for each year as of December 2024.

## Key Insights:

Hayley in Property Owner Services manages the distribution of collected revenues across appropriate years.

A legal collection process initiated in 2023 resulted in:

15 delinquent accounts sent to the law firm.

11 accounts settled (assessments and some legal fees paid).

4 accounts in process.

Legal fees for delinquent accounts often range from \$2,000 to \$4,000, in addition to outstanding assessments. This highlights the importance of paying assessments on time to avoid significant penalties.

## Budget Preparation

The Budget and Finance Committee has prepared the 2025 budget and it will be presented for approval by the Board.

The Manager has prepared the Capital Expenditure budget and it will be discussed for action by the Board.

## Audit Firm

Our Bylaws recommend that we change audit firms every five years, so we have arranged with a firm in Odessa, Ron Kirby CPA, to provide such service going forward.

## Reserve and Contingency Accounts

These accounts are due for additional contributions which will be addressed at the April 2025 Board meeting.

The financial reports provide a transparent view of our financial health, while ongoing collection efforts and reclassification of accounts ensure effective management of resources.

Thank you for your attention.

## Committee Reports

Road Maintenance Committee Report by Barbara Levedahl

No report presented.

## Water Committee Report by Larry Drgac

Work is being completed to ensure that POATRI is compliant with the Brewster County Underground Water District. This is a newer committee that has been established in Brewster County. POATRI must be in compliance due to our potable and non-potable water sales.

## Water Conservation Stages

Operations Manager Aaron Smith reviewed the different water conservation stages that were established at the July 2024 meeting. There are currently no restrictions in place. This is mainly due to repairs and maintenance that led to water conservation without restrictions. A point was made to highlight that restrictions may be placed in the near future based on current rainfall.

Q: During these conservation efforts, would we keep the pool active?

A: Brad Anthenat: First, the concern is can our well that is utilized to sell non-potable water meet demand? This past summer, we had to use the pool to meet demand. The pool loses approximately 200 galls per day in the summer and is an asset to guests and property owners alike. The day may come when that conversation will have to be held by a future board. Since 2020, the Lodge's usage has been coming down as water saving efforts have bene put in place.

Q: How are the aquifers we use recharged?

A: Brad Anthenat: When we see it rain, we see the non-potable well levels do go up. I currently do not have the exact measurements. In the April 2024 meeting, we approved to install sounding tubes so we will be able to actively measure the levels of the well and get better measurements after rain.

A: Larry Drgac: In other areas, water districts have installed sounding tubes quite a while ago. Due to lack of population and usage, there is little to no information on the shallow aquifers here. There is a deep aquifer here, but no information on the amount or levels. However, it is high in mineral content and considered "hot" water.

Q: You mentioned the sounding tubes. Do you have any reports or information you can provide to show how the conservation work has impacted and how the levels are? Also, the work on the Smith Well has been in front of the Board for about a year plus – what is the work being done to get that work completed?

A: Brad Anthenat: I know at the July meeting we did have that information to present when discussing the water usage. I do not have information handy right now. As you mentioned, working with TECQ is a long and difficult process. Plus, the water in the

Cabin well is not high quality water. It has a very high sulfur content and many people will likely not want to buy it.

A: Marbert Moore: We had this conversation about 5-6 months ago, about posting the water levels on the website. Hopefully, Aaron Smith may be able to do this in the future as the information becomes available so property owners can see. It is important to acknowledge we have two water systems: Smith Well is controlled by TCEQ due to the usage. The other is the non-potable that we sell; the Cabin Well. It has been flow tested and quality was tested and is marginal. If Smith Well is weak, then the Cabin Well may have to come online, but that could be costly due to plumbing needs to connect the systems.

Old Business

Generator/Power Project Review

Resolution for Capital Expenditures:

The first effort at the Resolution for Capital Expenditures was read and then there was a discussion.

An item of a new kitchen grill was discussed. The kitchen equipment is under the \$5,000 Board approval limit. The Board should not have to approve because the individual item is below the limit.

The Smith Well amount incorrectly listed a previously approved amount so that section is to be re-written with \$12,000 requested.

The generator project was submitted for \$50,000 of work to complete.

Discussion was had to rewrite the resolution and wait until the April meeting to adjust the budgeted amount. It was also discussed to leave the amount as is, and allow Manager Aaron Smith to have a budget to speed up the process of the several projects listed. That way Aaron Smith can proceed once the bids for the generator work are received. The work was scheduled to be completed in 2024, but has stretched into 2025. It was suggested that the amount for the generator project be upped to \$60,000. As far as the Smith Well work is concerned, an additional \$12,000 must be approved to complete the well work.

The resolution was rewritten and presented as follows:

Whereas the Manager has submitted requests for the following capital expenditures: \$5000 for materials for construction of campfire rings, in the same arrangement as



permitted by Burn Ban regulations and located in the various cabins, and \$12,000 for the completion of the Smith Well project to include two sounding tubes and a radio device that controls the water level of the elevated water storage tank, and up to \$60,000 for the completion of the generators installation, including electrical infrastructure. Be it hereby resolved that the Board has reviewed and discussed the requested capital expenditures and does hereby approve the request as submitted.

Brad Anthenat motioned; Larry Drgac seconded.

The motion passed unanimously.

## Discussion 2025 Budget

### Property Owner Discussion

Anna Marie Posey: I am sorry I was not here yesterday, and am saddened by Barbara stepping down. Where are we at with the Bathhouse Task Force now that she is not here?

A: Brad Anthenat: We started that project when we had no manager. It is tough when we then hire a manager and how we transition from a Board project to a manager-driven project. Hopefully, the Board will work on it because it is an important project, but it is more of operations work. The Task Force should be involved in a high-level overview to include: budgeting, gathering property owner feedback, providing scope of work, and provide the feedback to the manager. I would encourage the next Board that is seated to encourage to either have a Task Force work with the manager or give the project to the Manager.

A: Larry Drgac: I agree with you, Brad Anthenat, because you were acting manager and I was working directly with you on projects, but worked with Aaron Smith once he was hired. I agree that it should be the manager's responsibility to lead this work. It is our job to help Aaron Smith, but not interfere.

### Budget Resolution:

Whereas the POATRI Operations Manager and the Budget and Finance Committee have developed a proposed budget for operations during 2025, and whereas the Manager and the Budget and Finance Committee have submitted the proposed budget herein for review and approval by the board directors. Be it be hereby resolved that the Board hereby approves the budget as submitted for approval.

Adam Daley motioned, Brad Anthenat seconded.

Motion passed unanimously.

#### Collections update – Renew Program

Resolution reads as follows:

Collection renewal:

Whereas POATRI assessment collections have been approximately 59% of the accounts over the years past, and whereas the collection program begun in 2023 has been very successful in assessment collection, be it hereby resolved that the Board approves to continue an ongoing effort by legal services for the collections program for improving assessment collections. Program will continue to be reviewed and approved each year. The Collection Plan is attached to this Resolution.

Motion by Jim Spofford, seconded by Adam Daley

Motion passed unanimously.

#### New Business

#### 2025 Election Results

Our independent vote counter was Steve Anderson. 361 ballots were counted. It takes 181 votes for a simple majority. There are five positions with only four candidates. There are three 3-year terms and two 1-year terms. The three with the highest votes will get the 3-year terms.

Amy Law – 310 votes

Richard “Dick Wilhauer ” Wilhauer – 300 votes

Dave Johnson – 297 votes

Charles “Chuck” Hinson – 289 votes

Meeting temporarily adjourned for new Board members to complete Code of Conduct and Confidentiality Agreements.

## Seating of New Officers

### Nomination for President:

Larry Drgac nominated Amy Law; Adam Daley seconded. Amy Law accepted nomination. Amy Law unanimously approved.

### Nomination for Vice President:

Marbert Moore nominated Richard “Dick ” Wilhauer; Larry Drgac seconded. Dick Wilhauer accepted nomination. Dick Wilhauer unanimously approved.

### Nomination for Secretary:

Marbert Moore nominated Dave Johnson; Larry Drgac seconded. Dave Johnson accepted nomination. Dave Johnson unanimously approved.

### Nomination for Treasurer:

Adam Daley nominated Marbert Moore; Amy Law seconded. Marbert Moore accepted nomination. Marbert Moore unanimously approved.

## Water Committee

Charles Hinson nominated Larry Drgac; Dave Johnson seconded. Larry Drgac accepted nomination. Larry Drgac unanimously approved.

## Communications Committee

Amy Law nominated Charles Hinson; Dave Johnson seconded. Charles Hinson accepted nomination. Charles Hinson unanimously approved.

## Road Maintenance Committee

It was determined that no committee is needed with an active manager in place.

## Resolution for Bank Signatures

### Maverick Bank:

Motion: Adam Daley Second: Larry Drgac

Motion passed unanimously.

### Morgan Stanley:

Motion: Larry Drgac Second: Adam Daley

Unanimously passed

## WTNB Account and Safe Deposit Box:

Motion: Adam Daley Second: Jim Spofford

Unanimously approved.

Adjourn: 12:30 pm

Motion: Amy Law Second: Larry Drgac

Unanimously approved.