

POATRI Board of Directors Meeting Quarter 1

Board Meeting Date: April 26, 2025 Location: Bunkhouse 10 AM to 1:35 PM

Attendees: (List of attendees not fully available in the transcript, but includes)

1. Call to Order & Welcome

The Quarter 1 Board Meeting was called to order. Attendees were welcomed.

2. Roll Call

Roll call was taken. Amy Law, Marbert Moore, Dave Johnson, Jim Spofford, Adam Daley, Larry Drgac, Chuck Hinson, and Aaron Smith were noted as present. Dick Willauer was noted as absent.

3. Public Service Announcements

- Board member Adam Daley highlighted the school system's robotics team's advancement to the State competition for the second time in three years. The team was District Champion in El Paso (competing against 6A schools as a 1A school), placed second in Lubbock, and will compete in Corpus Christi on May 10th. Brad, a previous board member, is the teacher and coach. The board was asked to keep the team in their thoughts, and results will be posted.

4. Approval of Previous Meeting Minutes

- The minutes of the January 25th board meeting were disseminated to the board members.
- The motion to approve was made by Larry Drgac. The motion was seconded by Adam Daley.
- The motion carried unanimously.

5. President's Report (Amy Law)

- The President presented the Quarter 1, 2025 report.
- The report outlined the four purposes of POATRI:
 - To be a useful resource and benefit to property owners (cafe, laundromat, showers, pool, Wi-fi, water purchase, Bunkhouse rental).
 - To maintain and improve roads (four full-time employees, dust abatement with a water tank).
 - To administer and enforce the Terlingua Ranch Maintenance Agreement and collect assessments. Assessments are for safety, health, recreational projects, and road/drilling services.
 - To develop, improve, or maintain recreational areas/health and safety projects.
- The President referenced a quote about chasing perfection leading to catching excellence.
- The report detailed plans and implemented improvements aligned with the purposes:

- **Purpose 1:** Aaron Smith is working to streamline the cafe menu and cut costs. Laundromat cost-saving measures. Bathhouse improvements. Potable/non-potable water is available without restrictions.
- **Purpose 2:** Plans to purchase a dedicated water truck for road maintenance to improve efficiency over the current dump truck/water tank system.
- **Purposes 3 & 4:** Continued work with a debt collections law firm for delinquent assessment fees (second list being prepared). Efforts to encourage easements along the unpaved section of Ranch Road to allow for county paving. Development of a master plan for the 425 acres owned by POATRI.
- The President concluded by emphasizing Terlingua Ranch as a great community moving forward and encouraged involvement, questions, and suggestions.

6. Operations Manager's Report (Aaron Smith)

- The Operations Manager presented the Quarter 1 report (January-March 2025).
- **Roads:** The road crews swiftly repaired washouts and tricky crossings on the 1,100-mile network. New GPS dash cams have improved efficiency in tracking road work.
- **Water System:** Significant upgrades to the Smith well project were completed by mid-March, ensuring reliable water flow by utilizing the pool well and avoiding water restrictions.
- **Collections:** Strong progress in collecting assessments through Hayley's efforts and collaboration with attorneys, strengthening the ranch financially.
- **Cafe:** Dre Williams planned a fresh, streamlined spring menu focused on maximizing flavor and efficiency. Staff outfitted in new shirts to boost pride and guest appeal. The new menu is expected in the coming weeks with minor changes.
- **Community:** Groundwork laid for more movie nights, live music, and karaoke events. Landowners are signing up.
- **Future Planning:** Partnership with Mark Freeman for ArcGIS training to develop a site plan and master plan for future improvements.
- **Guest Experience:** Positive feedback on Google, praising staff service and cozy cabins. Patti Mason's front desk charm and housekeeping magic noted. New King suites being prepped. The primary negative feedback relates to the three miles of rock road leading to the lodge.
- **Facilities Upgrades:** New audio systems tested for board meetings, and additional security cameras added.
- **Team Recognition:** Acknowledged the hard work and dedication of the entire team: Hayley DeArman (Property Owners Services), Dennis, Nick Bart, Grady (Road Crew), Justin Jones (Maintenance), Dre (Cafe), Patti Mason (Front Desk), Sarah Holton (Housekeeping), Debbie McLarty (Financial Management), and Shannon Andrews (HR).
- The Operations Manager reiterated his commitment to making Terlingua Ranch a place of pride and welcomed ideas and feedback.

7. Treasurer's Report (Marbert Moore)

- The Treasurer's report included input from the Budget Finance Committee (Directors Dave Johnson and Member Linda Shank).
- Financial reports were prepared with assistance from Aaron. Handouts were available at the meeting and would be posted online.
- **Balance Sheet:** Showed a 3% increase from the previous year. CD savings accounts are earning approximately \$14,000 per year in interest. The financial chart of accounts was reorganized for clarity, showing CDs in the same category as checking and savings.

- **Investment Account:** A new investment account with Morgan Stanley allows for easy transfer of funds from the local bank checking account, earning over 4% interest, optimizing interest earned during periods of high assessment payments.
- **Profit & Loss Reports:** Showed a \$119,000 decrease in expenses compared to the same quarter last year, primarily due to lower salary expenses and no contract labor costs.
- **Profit & Loss by Class:** Detailed revenue and expenses for labor, supplies, and services for different areas of operation (lodge, road maintenance).
- **Budget vs. Actual P&L Report:** Showed year-to-date revenue and expenses compared to the approved budget.
- **Assessment Collection Report:** Presented collections in two ways: as of the specific due date (March 31st) for the past five years, and as an accumulation over the prior years. As of March 31st, 42% of assessments were paid. Historically, the total approaches 71%, indicating approximately 29% of accounts are challenging to collect due to lost property, addresses, or lack of awareness by families. Efforts are ongoing to bring some of these accounts back online.
- **Legal Process for Collections:** Initiated in 2023, resulting in 15 legal accounts sent to the law firm, with 11 paid (including legal fees) and 4 still in process. One property is scheduled for sheriff sale (first instance in 35 years). Legal fees range from \$2,000 to \$4,000 per account, highlighting the importance of timely payments.
- **Audit Firm:** Arranged for Kirby CPA Corporation in Odessa to provide audit services going forward. Mr. Kirby will be on-site in May.
- **Reserve and Contingency Accounts:** These accounts are slightly low based on the policy of adjusting annually with the Consumer Price Index. A solution to add funds to these accounts will be proposed.
- The Treasurer emphasized that financial reports provide a transparent view of financial health and ongoing collection efforts ensure effective resource management.

8. Road Maintenance Committee Report (Aaron Smith)

- Provided a general overview of the road crew's activities.
- The crew addressed many problem areas resulting from recent rainfall promptly.
- Their proactive approach to ensuring property access was commended.
- They are self-starters, work hard, and are dedicated to maintaining the roads.
- The board was encouraged to thank them when seen.
- The crew is open to input and proactive in addressing road issues.
- Looking forward to providing them with more tools to maintain the roads effectively.
- Observed Bart picking up trash and maintaining the roads well.

9. Water Committee Report (Aaron Smith)

- The Underground Water District license has been approved, allowing POATRI to be a water distributor. This was a lengthy process.
- Compliance work with TCEQ for Smith well is complete, including coordinator, booster coordinator, storage tank, and booster pumps. The engineer inspected and approved everything, and Terlingua Ranch will be removed from their watchlist.
- **Conservation Efforts:** The Pool Well was used to supplement non-potable water during the winter, avoiding restrictions. Monitoring equipment has been invested in to regularly sound all wells. Wells are refreshing quickly, and water restrictions are not anticipated if levels remain stable.

- **Water Truck Plans:** Quotes for a water truck lease were deemed too expensive. The focus is now on purchasing a suitable water truck when one is found within budget. The dump truck with water tanks will continue to be used in the interim.
- **Growing Demand & Drought Impact:** Increased owners and tourists are stressing the wells, and dry conditions slow recovery, necessitating continued conservation efforts.
- **Infrastructure Needs:** Broader investment needed to map out infrastructure for long-term sustainability, especially addressing potential underground leaks at the Lodge from aging infrastructure, which will be informed by the master plan.
- Conservation efforts will be initiated if well levels begin to drop.

10. Communications Committee Report (Chuck Hinson)

- Thanked the staff for starting the newsletter again in a streamlined format.
- A meeting with the committee was held to set up and discuss timelines and future content.
- The newsletter is ready to be sent out and published on the website.

11. Newsletter Discussion (Amy Law)

- The newsletter was highlighted as an important communication tool with property owners, with the last one published about a year ago.
- Efforts are underway to improve communications.
- Property owners are being involved in the newsletter production, with Judy Eron writing an article for the current issue, and other offers have been received.

12. 3 Mile Task Force Report (Marbert Moore)

- The mission is to facilitate easements from owners along the last two miles of road for the county to extend the road from Marathon Road to the POATRI lodge.
- Task force members include the President, Manager Aaron Smith, Director Marbert Moore, and Members Nancy Grace and Linda Shank.
- 23 property owners are affected south of Maritime Road, with 17 being the target for easements.
- Brewster County Commissioner Sarah Palando indicated the county is willing to take the road into the county system upon receipt of all easements.

13. Site Plan/Master Plan Workshop Discussion

- A workshop was held recently to discuss the site plan or master plan, including improvements to the bathhouse and other areas.

New Business

Contingency fund resolution

- So be it hereby resolved, that to be in compliance with the Policy Procedure Manual, the Board of Directors authorizes and directs the manager to add \$19,000 to reserve account and \$21,000 to the contingency fund.
- Motion made by Amy Law and Seconded by Adam Daley.
- Motion carried unanimously.

Credit Card Resolution

- Resolution change of West Texas National Bank credit card names, whereas Terlingua Ranch the Company that maintains a West Texas National Bank MasterCard account with card number ending in 1834, for business purposes, and whereas the Board of Directors has the authority to update account designations. Now, therefore, be it resolved that the Board authorizes the following changes to the names on the West Texas National Bank MasterCard ending in 1834. New names are Aaron Smith, Deborah McLarty, and POATRI. Be it further resolved, That the company's officers, including President Amy Law, Treasurer Marbert Moore, and Secretary Dave Johnson, are directed to take all necessary steps to implement these changes with West Texas National Bank, and this resolution shall be kept in the Company's records and provided to West Texas National Bank as required.
- Motion to approved made Marbert Moore and seconded by Chuck Hinson
- Motion carried unanimously.

Employee Handbook Changes Resolution

- Whereas the Property Owners Association of Terlingua Ranch, Inc., POATRI, is committed to maintaining a supportive and compliant workplace for its employees, ensuring operational excellence across its 200,000 acre community near Big Bend National Park, and Whereas the current employee handbook requires updates to reflect best practices, improve staff retention, and ensure compliance with applicable labor regulations, as identified by Operations Manager and Executive Director, Aaron Smith, and Whereas proposed changes to the employee, handbook aim to enhance working conditions, clarify policies and support the well-being of our dedicated team, including but not limited to updated leave policies, work hour adjustments, and benefits, enhancements; and Whereas these changes will strengthen Terlingua Ranch's ability to attract and retain talent, addressing ongoing staffing challenges in our remote location as noted in prior operational reports. The Board now, therefore, be it resolved by the Board of Directors of POATRI, that the proposed changes to the employee Handbook, as presented by Aaron Smith, are hereby approved for review and implementation. Aaron Smith, in collaboration with the Human Resources Department, led by Shannon Andrews, is authorized to finalize the handbook updates and distribute the Revised Version to all employees. By May 15th. 2025,
- Motion to approve was made by Dave Johnson and seconded by Larry Drgac.
- Motion carried unanimously.

Director Application Committee

- In accordance with the bylaws, the need to create a Director Application or Nominating Committee was announced.
- The committee will be made up of each committee head, the operations manager and the President of the Board

Public Comments

- An attendee questioned if the Board or Ranch staff had discussed or considered the impact of the closing of the Chisos Basin on the Lodge rentals. The Operations Manager stated that this had been discussed and considered.
- Concern was voiced regarding the Board asking landowners to sign Variances for the last 3 miles of road to be paved. Discussion was held, and another attendee voiced that the easements had been reviewed by legal counsel.
- A Zoom attendee voiced that she was having difficulty with a neighbor. She was advised to seek legal counsel.

Adjournment

With all new business completed Amy law President called for any other comments, with none forthcoming she requested adjournment.

- The motion was made by Marbert Moore and seconded by Larry Drgac.
- Motion carried unanimously.

The meeting was adjourned. At 1:35 PM