

AROUND THE RANCH



APRIL 2005

PROPERTY OWNERS ASSOCIATION OF TERLINGUA RANCH, INC.

PO Box 638 TERLINGUA TEXAS 79852

(432) 371-2416

WWW.TERLINGUARANCH.COM

WWW.POATRI.ORG

EMAIL: OPSMGR@TERLINGUARANCH.COM

PRESIDENT'S MESSAGE BY SUZAN IVY, PRESIDENT

Property Owners of Terlingua Ranch:

The POA has come to a point in time that we need a complete review and overhaul of the method of our funding. The last raise in 1986 of our current Maintenance Fees has proven to be inadequate and inappropriate, as well as being very poorly named.

When we bought our land at Terlingua Ranch, we were told that we would have to pay a "Maintenance Fee." You know, the money that would take care

of the roads so that you would be able to get to your property?

The Maintenance Fees that we were told would take care of the roads are not exactly just for the roads. Those funds are used for taking care of all kinds of things: paying salaries, buying equipment, maintenance on the buildings and machinery, purchasing new equipment, supplies that are needed for the restaurant and many, many more items. The 1986 dollars just don't buy as much in 2005 as they did in 1986.

Have you been to the grocery store lately? Milk, bread, hamburger meat, our daily staples that we need to survive, are almost out of reach. Now gasoline is over \$2.00 a gallon and the government is predicting that it will be around \$3.00 per gallon by the summer.

If you had to live on the money that you made in 1986, you wouldn't make it.

So what do we do?

First we need to raise the Assessment. Second we really

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**NEXT MEETING OF POATRI'S BOARD OF DIRECTORS:
SATURDAY, JULY 23 AT 10 AM; ALL-DAY WORKSHOP FRIDAY, JULY 22.**

OPERATIONS REPORT 1st Quarter, 2005

The 12F Motor Grader is being retired. It is no longer cost-effective to continue to invest in repairs and the steering has become dangerous to continue to use it on the roads. We will be able to use it in the resort area on the airstrip, the roads that serve the cabins and RVs, etc. and occasionally on the three miles of main road when the circum-

stance are right. I have located a five year old 140H Motor Grader with lower hours and a good maintenance history through Warren Cat in Odessa. The Board has authorized purchase of this "new-to-us" machine.

We have the first of our engineering documents from NRCS and will begin the process of securing property owner per-

mission for the **diversion dams** that are necessary to cure the on-

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The **deadline** for paying the February 2005 **Supplemental Income Assessment** of \$51.00 is July 7, 2005.

Property owners who do not remit the SIA by the deadline will have their "good-standing" status revoked.

PUBLIC SANCTION

On March 19, 2005, the Board of Directors reviewed a petition requesting the removal of Director Sharon Clark.

After a lengthy discussion, the Board decided that Sharon Clark is in violation of Article 7.02 sections a, c, and g.

The board hereby publicly sanctions Ms. Clark, in writing, by reading the written sanction at the first general meeting of members after the sanction is written and by printing the sanction in the first newsletter that is printed after the written sanction as per

The next quarterly meeting of the POATRI Board of Directors will be held Saturday, July 23, 2005, beginning at 10 AM, in the meeting room below the Bad Rabbit Cafe at Ranch headquarters.

Additionally, there will be an open Budget Workshop meeting held Friday, July 22, 2005, beginning at 9 AM, in the same location.

AROUND THE RANCH is published quarterly by the Board of Directors of the Property Owners Association of Terlingua Ranch, Inc. and is provided free of charge to all members in good standing.

Letters, comments, and suggestions are welcome. Letters may be edited for publication.

Write to: Around the Ranch newsletter, PO Box 678, Terlingua, TX 79852. Or email: opsmgr@terlinguaranch.com.

Article 7.02b of the bylaws.

The Board of Directors apologizes to the property owners who had to wait for such a long period of time during the executive session.

The Board has since decided to study the proceedings of such an executive session and add its findings to the Policy and Procedures manual for future boards to follow.

It is unfortunate and regrettable any time that the Board has to remove or sanction a fellow board member for any violations of the Restricted Acts.

CHANGES TO ROAD POLICIES

At the April, 2005 meeting the Board of Directors voted to add the following road procedures to the Policies & Procedures Manual:

Regarding Road Maintenance:

- Terlingua Ranch roads are any existing roads that lead to, or through, property listed as the Subject Property in that Terlingua Ranch Maintenance Association document dated November 1, 1970, plus amendments, as filed with the Brewster County Clerk, for the purpose of access for members of POATRI.

- Only POATRI has ingress egress rights for the maintenance and improvement of Terlingua Ranch roads.

- No property owner has the right to maintain or otherwise alter a Terlingua Ranch road without the express, written consent of all owners of the property through which said road

*Due to space constraints, we are not able to publish **financial information** in this newsletter. However, this information is readily available online via POATRI's website (www.poatri.org) or via calling the Terlingua Ranch office (432/371-2416).*

*Due to what appears to be a global computer glitch in the assessment of the April 1, 2005 90-day late fees, **ALL 2005 90-day late charges are being credited to ALL owner accounts.** If you have paid this late charge you will have a credit on your account that will be applied against 2006 fees.*

traverses.

- Property owners who wish to maintain or otherwise alter a Terlingua Ranch road that traverses their property must first obtain written permission from POATRI.

Without such permission, the property owner may be subject to financial charges for the cost to POATRI of reworking the roads affected.

Regarding Road Access:

- All members of the Association, by virtue of POATRI's ingress/egress easement, enjoy the right to access all Terlingua Ranch roads for the purpose of ingress/egress.

Any member wishing to maintain or provide assistance in maintaining their road must contact the Operations Manager at: (432) 371-2416 or email: opsmgr@terlinguaranch.com.

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need to review and rewrite the old Terlingua Ranch Maintenance Association agreement that was drafted by the developers for the benefit of the developers. The whole goal or vision of Terlingua Ranch has changed with time, and the document is inadequate and inappropriate for our use now.

This is going to take time to do. Your Board of Directors can't do it alone. We need your input and help in order to make it suitable and beneficial for all of us, the property owners.

The members of the Board of Directors have investigated and considered several different methods to raise the Property Owner Assessment and have narrowed it down to two best choices. We agreed that the owners should make the final decision, so we will be sending out a ballot for you to vote on

which of the two choices would be preferred.

The first choice is a flat fee per owner. How does this work? We will start with a base budget for 2006, divide it by the total number of non-exempt property owners, and every owner will pay an equal amount regardless of acreage. There will be an annual cost of living adjustment built in so that we never again find ourselves in the position of having to double fees again.

The second choice is similar to what we have now, which is a flat fee per owner plus a fee per acre. Again, we will start with a base fee for 2006 that will be adjusted each year by the annual Consumer Price Index increase or decrease. That will become the annual owner fee. In addition, each owner will pay an acreage fee charged for each acre owned.

Sometime between June 1st and June 7th, you will be receiving a separate mailing regarding a proposed amendment to Section I. In that mailing, which will include a ballot, we will go into detail about how each method will affect property owners and what you can expect your assessment increase to be.

This change to the maintenance agreement is so very important to the future of Terlingua Ranch that we are making every effort possible to ensure that the property owners know and understand why and how the Property Owner Assessment works.

When you receive your ballot proposal, please read it carefully and contact us with questions.

Because I think an understanding of the process is so important, I am going to call a budget workshop that is open to all property owners on Friday, July 22, 2005, so that we can go over the budget with the property owners.

Please make an effort to attend both the Friday workshop and the Saturday Quarterly Meeting. This will enable the membership to decide the future of Terlingua Ranch, if they wish to participate in the decision making process.

The members of your Board of Directors strongly and unanimously urge you to attend the Friday, July 22nd workshop and the Saturday, July 23rd Quarterly Meeting.

JOIN THE FRIENDS OF TERLINGUA RANCH

We are a volunteer group dedicated to supporting the Ranch and improving the Lodge facilities. Please pledge funds or your labor; no donations are too large or small.

We are currently working on renovating the "bunkhouse" below the restaurant for a planned multi-purpose room. We will soon be installing a wooden dance floor in the center section of the room. Total cost for this is expected to be about \$2000. Monthly pledges in any amount are welcomed. Any assistance with installation would also be appreciated.

If you can help with dollars or labor, contact the Operations Manager at 432-371-2416 or opsmgr@terlinguaranch.com.

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going problem of total road loss on the main Cedar Springs road. We are also working on cost estimates for that project.

We have located two additional spots, one at Gate 9 on Ament Lake road and one in the Ghost Town, that Natural Resources Conservation Service (NRCS) is developing plans for, and when those are received we will work through the same process. We will continue to locate severe problem areas on main roads.

The design plan for the **new property owner computer system** is at about 80% completion, with delivery expected by mid May. We continue to have difficulties with the degrading TRPOA system and are looking forward to beginning the actual implementation phase that will

give us a new system.

The 90-day **late charge billing** as well as the **ballot** for the amendment of Section X of the Maintenance Association document was mailed the last week in April. Ballots are due by July 14, 2005.

The first **property auction** of the year was successfully completed, with high bidders all paid in full. We issued the Special Warranty deeds the last week in April. A second auction began April 23 and will close May 23. To date we have filed over 800 liens that are now being moved through the foreclosure process.

Collections on the Supplemental Income Assessment have been steady with a total of \$85,000 received to date. These

funds are being earmarked for road maintenance capital expenditures and to bring the designated Capital Reserve Account back to the required \$50,000 balance.

The **Bunkhouse** volunteers have purchased the wood necessary to put in the dance floor section of the flooring in the bunkhouse and have created an honors plaque where donors to the project will be memorialized.

We survived **Spring Break** and saw an 8% overall increase in resort revenues over 2004 for the first quarter. We are in the process of formalizing a marketing strategy that will target low environmental impact visitors in accordance with the stated POATRI strategic plan being currently developed.

BUDGET & FINANCE, AND TREASURER'S REPORT POATRI BOARD MEETING

BY LARRY GORDEN, TREASURER

Cash Flow, Profit & Loss, and Budget vs. Actual reports are available at POATRI.ORG -Policies - Financials.

In summary, there was a net increase of cash for the period of \$65,208.39, attributable primarily to the collection of Supplemental Assessment Fees. Cash at the end of the period was \$117,944.72. Supplemental Revenues (cabins, restaurant, etc) experienced a Net Income loss for the quarter of \$18,322.68, roughly in line with the same period 2004.

Net Income from Assessment Revenues, at \$74,680.93 is down considerably from 1st

Quarter 2004 due to an accounting change initiated by our CPA. In 2004 all Maintenance Fees were booked in the first quarter. However, in 2005, Maintenance Fees are booked monthly. The accounting difference in Maintenance Fee bookings causes a first quarter adjustment to revenues of (\$307,004.69 - \$74,061.75) \$232,942.94.

We experienced favorable Budget Variance on Total Income of \$100,949. Supplemental Income Collections and Property Auction Proceeds account for approximately \$87,000 of the favorable variance. The remainder of the favorable variance is due to better

than forecast Assessment Collections, perhaps due to the Foreclosure Proceedings, and to better than forecast Supplemental Revenues (cabins, restaurant, etc.).

Unfavorable Budget Variance on Total Expenses came to \$34,268. Almost half of the expense over run is attributable to higher fuel and heavy equipment repair expense.

Unbudgeted collections expenses associated with the Property Auction Proceeds contributed almost \$18,000 to the unfavorable variance (offsetting most of the almost \$22,000 favorable variance from the Property Auction Proceeds).

STRATEGIC PLANNING UPDATE

BY LARRY GORDEN, CHAIR,
POATRI STRATEGIC PLANNING
COMMITTEE

Among the documents that have historically been used to manage Terlingua Ranch have been the Terlingua Ranch Maintenance Association agreement, the POATRI By-laws, and the Board Policies and Procedures.

Additionally, an Operations Manager had to have a set of numbers in his back pocket that could roughly be called a budget.

To that list of tools, we are adding a Strategic Plan. Our current Strategic Plan is simply a list of four things we would like to have achieved in three years' time. In addition we describe in a little detail how the achievements will be measured or observable, and we set down what practical things need to be done to start work on them.

The concept is that it will be easier to do what we want to do when we know what it is that we want.

The hard part of Strategic Planning, for a collection of 4,000 plus individuals, is to negotiate what it is exactly that we want. Another hard part, of course, is to actually execute the plan, but that's the subject of a future Operations report.

A good Strategic Plan has to start with an understanding of who it is that wants these things achieved. Who are the customers of the Plan? In our case, they are (at a minimum,

and in no particular order): Residential Owners who live close to facilities, Residential Owners who live far from facilities, Non-Residential Owners who live relatively near the ranch, Non-Residential Owners who live relatively far from the ranch, Employees of the Association, Government Agencies, Future Generations of Owners who will inherit from current owners, Non-Owner visitors, and, just in case we want to be good neighbors, Non-Owners who live near us.

In the next three years POATRI will demonstrate significant progress in the rehabilitation of the main access roads to minimize repairs and impact to the environment and ensure access for our membership. Rehabilitation of the entire road system is vital, both for the benefit of our membership and for the ultimate benefit of our environment.

In the next three years POATRI will successfully manage rustic and accommodating facilities, resulting in low impact to our unique setting and sensitive environment through an increase in an average annual occupancy from 24% to 35% to achieve self-sufficiency.

The facilities are a valuable asset of the corporation and therefore must be preserved for the benefit of the members.

Achieving financial self-sufficiency in the operational budget will enhance the value of the asset to the corporation

and provide more flexibility to the corporation in the future.

In the next three years POATRI will maintain fiscal responsibility for all operations through effective budget management. Budgets that are thorough and realistic in both the ability of the Association to generate revenue, to control expenses and to manage capital investment are vital to the continuation of POATRI.

Budget discipline will encourage higher productivity, decreased waste, and the reduction of expenses through innovation.

In the next three years POATRI will be a viable organization increasing membership in good standing from 72% to 95%.

The true viability of the organization can be measured, in large part, by the success with which assessments are collected.

A 95% collection rate will mean that we are more equitably insisting on accountability and more successfully serving our members, who are then willing to pay the assessments for value received.

A Strategic Plan is not a static document. Next year we will need a new plan to cover the next three years. Some things on the list will certainly stay. But some things might drop off, to be replaced by other things.

Your suggestions and opinions will help develop the next Strategic Plan.

SYNOPSIS OF MINUTES APRIL 30, 2005 BY LIZ DEMETRI, SECRETARY

The quarterly meeting of the Board of Directors was called to order by President Suzan Ivy. Present were Jim Miller, Janet Sullivan, John Wurz, Suzan Ivy, Larry Gorden and Liz Demetri. Alicia Gill was absent.

The minutes from the Special Board meeting of March 19, 2005 and those of the January 31, 2005 meeting were approved as presented. Larry Gorden, Treasurer presented the financial statement. President Suzan Ivy thanked the members present for coming. She also emphasized that there had been some stumbles at the beginning but that we are going forward from here. Alida Lorio, the Operations Manager gave her report for the first quarter.

Reports

Audit-Tom Williams stated that the Committee was going to restructure their procedures. Budget & Finance-Larry Gorden reported we are approximately 5% over budget due to expenses. there is a Budget Committee meeting on 5-5-05. The '06 budget should be ready by July meeting.

Public Forum

Speakers were: D.B. Smith, Tom Ramsey, Terry McDaniel, Dorothy Moyer, Suzie Ervin, Jack Hennessy, Alan Baker, Tom Williams and Jerry Brewster.

Unfinished business

Report on evaluation of Operations Manager-Alida Lorio wanted the results to be public

knowledge.

The following amendments were made and passed:

- Cost Accounting Procedures at the request of our auditor, Joe Torres.
- Access to Private Roads by all members of the association.
- Maintenance of Ranch roads by property owners must have written consent of POATRI.
- Resolution to waive assessment fees on property owned by Brewster County and used as the Community Center in Study Butte.

New business

- Resolution to place before the Membership in a formal ballot, proposed amendments to Section I of Maintenance Agreement. 1. A flat fee per property owner based annually upon an approved budget including CPI, Capital Investment and Debt Service. 2. A flat fee plus acreage charge per Property Owner based annually upon approved budget, including CPI, Capital Investment and Debt service. The exact wording is being worked on by a committee and will be approved by our attorney.
- Resolution that the Operations Manager is responsible for pricing and operational policies regarding Terlingua Ranch facilities.
- Resolution to purchase a used Warren Cat 140H Motor grader. Purchase price \$115,610.00 plus \$8,092.70 sales tax. We are putting \$12,600.00 cash down and have financed

it at 7.02% interest rate in 48 equal monthly installments of \$2,729.23.

The next meeting will be held on the 4th Saturday of the month, July 23, 2005 with a workshop on July 22.

Pool/bathhouse: Annual membership for property owners in good standing has been dropped to \$25/year. Those people who paid \$50 last year will NOT be billed this year and their key is still good. Day use is now \$1/day for property owners in good standing.

For non property owners the fees remain \$100/year or \$5/use.

Maintenance fee statements are assessed in November each year and are due January 1. A 15% late fee is assessed on maintenance fees not paid prior to March 31. Maintenance fees not paid prior to December 31 incur an additional 20% late fee.

By resolution of the POATRI Board of Directors, property owners delinquent for over 365 days lose all privileges available to members in good standing. Maintenance fees past due for 2 years or longer will be referred to our collection process.

Please call the Terlingua Ranch office if you have questions about your maintenance fees.

Noticias Pequeñas by Suzy Ervin

Aside from the ever-present Ranch politics, property owners have had a few exciting things happen in the past several months. The rains of 2004 were a blessing and a plague upon Terlingua Ranch. The moisture that brought one of the most incredible wildflower displays in years – up to 38 inches at some locations – also tried to wreak havoc with the primitive roads on the Ranch.

Despite the efforts of the **road maintenance crew**, the workload was beyond their capabilities. Many property owners pitched in with shovels, buckets, and their own equipment to help make the roads accessible for all property owners and visitors. Many roads are still rough, but usable.

The Big Bend **bluebonnets** were particularly beautiful, many reaching 36 inches tall. They weren't only along the roads but turned acres of countryside into a magnificent blue haze.

Along with the flowers came the **bees**. Several area residents reported large bee swarms; one dog was reported to have died from stings and the owners were also stung. There were many more reports than stings. One of the local newspapers reported that there were greater numbers of swarms this year and that many are coming up from Mexico.

The **spring bird migration** is upon us and many residents and visitors have reported good birding in the area. There is plenty for the birds to eat because of the rains. Most shrubs are loaded with berries and the quail have plenty of seeds to eat. One property owner reported seeing tiny baby quail already.

If you are looking for food to feed almost any bird or animal,

Terlingua Ranch residents have a new place to shop. **Big Bend Ranch Supply** opened for business around the middle of March and is located across from the mailboxes at the intersection of Hwy. 118 and the main Ranch road. Frank Large of Dallas is owner and Brent Lovelady is the manager and sole employee.

They offer feed, hay, fencing, t-posts, water tanks, stock tanks, plumbing, hardware, tools, gardening, plywood, lumber and a lot of other good stuff. For those of us who have "done without" during a crisis of some sort should feel mighty lucky to have such things so near!

Brent is also a musician and performs some evenings at the Lodge restaurant with William Rich as the "**Bent Love Handles.**" Also performing regularly are Randy "Cooter" McLaughlin, and William Rich & Kathy Pothier.

Modern technology has slowly crept into our lives on the Ranch. Outside of indoor plumbing, water, propane and electricity, the telephone made a huge improvement in Ranch life. Next came satellite TV, then dial-up Internet and computers. Most recently came a cell tower in Study Butte, satellite Internet, and satellite radio!

One complaint I've head recently: "Is **the wind** ever going to stop blowing?" My answer is yes, as soon as the temperature hits about 95 degrees. Then you'll wish you had some wind.

The Ranch is fortunate to have a **reserve deputy sheriff** on duty. He lives near the headquarters and normally patrols the area in and around the headquarters, but also works with the other two deputies in South County when needed.

PROPOSED AMENDMENT

The POATRI Board of Directors, at the April 30, 2005, quarterly meeting authorized putting before the membership a proposed amendment to **Section I of the Terlingua Ranch Maintenance Association** document.

The proposed amendment, if passed, will increase the annual property owner assessments. Members will be asked to vote "yes" or "no" to a permanent increase.

Additionally, members will be given a choice between two methods of determining the annual assessment.

Ballots for the proposed amendment will be mailed to the entire membership no later than June 7, 2005. The deadline for the ballots to be returned is July 22, 2005. The vote will be tabulated at the July 23, 2005 quarterly meeting.

All fees due the Association must be paid no later than July 7, 2005, in order for the member to retain "good standing" status. Good standing status is necessary for your vote to be counted.

As of June 1, new hours for

The Bad Rabbit Café:

Closed Mon. & Tue.

Open Wed., Thur., & Sun.

8 am – 7 pm

servicing breakfast until noon,

limited afternoon menu

(salads and sandwiches).

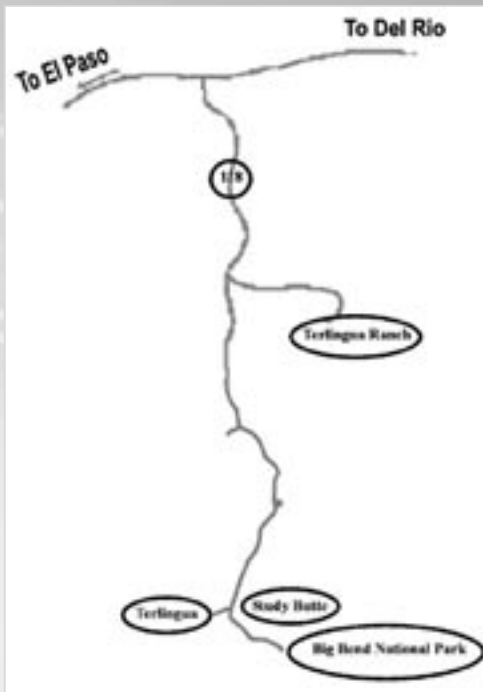
Fri. & Sat.

7:30 am – 9 pm

with to-be-announced dinner

specials between 6 – 9 pm.

Live music every Fri. & Sat.



Terlingua Ranch Lodge is located at the base of the Christmas Mountains in the heart of the Big Bend of southwest Texas, 60 miles south of Alpine and 16 miles southeast off state highway 118.

We have 32 well-appointed motel rooms, an excellent restaurant, live music, fresh air, and a pool – in one of the most unique landscapes in Texas. Stay with us and enjoy the quiet and beauty of the Chihuahuan Desert.

Group rates are available. Children & pets are welcome. We accept MasterCard, Visa, and Discover. For more information, call us at (432) 371-2416. Or write PO Box 638, Terlingua, TX 79852. Or visit our website: www.terlinguaranch.com.

Contact members of the Board of Directors via visiting our website:

www.patri.org.

Contact the Terlingua Ranch office by calling:

(432) 371-2416.



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