

## **APPROVED Minutes of FCRA Board of Director's Meeting - January 7, 2017 – FCRA Ranch House**

**Call to order:** Joy Benetti

Directors present: Tony Benetti, Clay Holland, Joy Benetti, Larry Woodruff, Heidi Mathewson, and Daniel Pedroza

Directors absent: Kim Sturman

**Quorum established**

**Agenda approved:** Motion to approve: Heidi Mathewson; seconded by Clay Holland. Unanimous approval.

**Minutes** from the November 12, 2016 meeting read by Heidi. Corrections noted and motion to approve with corrections was made by Tony and seconded by Heidi. Motion was approved unanimously.

### **Officers reports**

President's report: Joy followed up on items below:

1. FCRA received an invoice from Langley & Banack law firm amounting to \$6,300 for the lawsuit filed against former Board members and subsequently dismissed. \$2,500 of the \$5,000 retainer has been applied. Atty. Kilpatrick will speak with his firm's board about reducing the bill and will work with Joy to develop a payment plan for the outstanding balance. Some members offered donations to help pay off the balance, and all donations (payable to FCRA) are welcome.
2. Attorney Newton returned files as requested. Joy and another board member(s) will review the files. Atty. Newton was paid up to 10/15/16. Joy contacted him on 10/15/16 and told him to cease his legal counsel. Atty. Newton ignored her request and sent further invoices after that date, which will not be paid.
3. Texas state homeowner's law requires financial records be kept for 7 years. FCRA now has most files from approximately 2005/2006 to present with many files still missing. On Nov. 26, 2016, Darrel Wolff and Pat Barbour returned more files and keys to Joy and Tony. The members assessment ledger book has still not been located. In order to move forward, the Treasurer and Assistant Treasurer will create a new member assessment ledger book.

### General discussion:

A contractor hauling off a dumpster from the Norman's house drove down Squirrel Bend and broke a water line as he turned around. Aaron repaired the damage and provided Joy with the cost of parts and labor, which she sent to contractor. She is waiting for his response.

Colonia grant: Joy contacted Uvalde County Judge William Mitchell regarding a letter that was previously mentioned at several Board meetings. The grant writer was also contacted, and he sent the grant specifications to Joy. Joy, Sally Pedroza, and several other members reviewed the grant summary. They determined that FCRA would not qualify for this grant. There are a number of reasons:

1. Unincorporated communities are eligible for the grant. (FCRA is incorporated.)
2. Communities must lack potable water. (FCRA has a Public Water System with potable water.)
3. Communities must lack adequate sewage systems. (FCRA owners have septic systems.)

4. Communities lack decent, safe & sanitary housing. (FCRA homes are decent, safe & sanitary.)
5. Community was in existence as a Colonia before Nov. 28, 1990. (FCRA has never been a Colonia.)

Certificate of Convenience and Necessity (CCN):

Aaron Martinez had been asked a couple of times for the CCN. He did return a large green bin that contains many FCRA water records. However, records only go up to 2008. Joy contacted Mary Moss regarding records, but she stated she and Jim did not have any. She said J.W. Young would not have the records either.

Texas Commission on Environmental Quality (TCEQ) states that all water records should be in the possession of the owner of the water system, i.e. FCRA. Joy will again ask Aaron for any other water records he may have. TCEQ will conduct a regular investigation of our water system sometime this year or next, and we are supposed to be in possession of all records. Joy requested that water records be returned to FCRA, if anyone knows of owners or others who may have records.

Welcome packet for new owners:

Suggested items that should be included:

1. Campground rules and pavilion rules
2. Map of Frio Cielo Ranch
3. Ranch rules
4. Contact numbers for board members
5. Dry Frio River – TX state law re: driving; water safety/swim at your own risk/no lifeguards
6. Adults are responsible for their children
7. Articles of Incorporation, Bylaws and Amendments, Deed restrictions

Members may give additional suggestions to either Debby Lawrence or Pat Lawrence. Once completed, these items will be included in a Welcome Packet and also be posted on the friocielo.com website.

Assessment and other financial records:

Larry Woodruff asked about the location of the member assessment ledger. Dan Forrester stated the ledger was listed on the receipt of records he transferred to Heidi on Nov. 10, 2016. Heidi received records from Dan F., but the large ledger was not included in the returned records. Heidi took the inventory list/receipt but did not sign it, pending review of records. Debby Lawrence and Joy Benetti inventoried the records. Dan F. requested a signed copy of receipt, but has not yet received one. Joy said a receipt will be sent.

Tony outlined the records received from Dan F.: 1) Books of bank statements/receipts/check copies, and 2) a list of FCRA members in arrears on assessment payments, without clear descriptions or assessment periods included in payments. Also mentioned was a missing Accounts Payable book for fiscal year 2014-15.

Records that FCRA officers are not working with, at this time, are now kept in a locked area of the Ranch house.

Everyone agreed that we will move forward with financial records that we currently have. If former officers or owners have FCRA records, they are asked to turn them in.

Ranch Tractor:

Tractor was transported to John Deere service for repair. Max Morgan has copies of both the operator and service manuals. Max is not certain a maintenance log was previously kept, but one will be started and maintained.

Treasurer's report – Tony Benetti:

Tony presented the December 2016 financial report and first quarter report. He noted the beginning and ending balance for the checking and savings accounts.

On-line banking for FCRA accounts has been set up. Some assessment payments have been received. Assessment notices will be sent out this month with a new form for better tracking. People who own 4 or more lots can pay monthly; others pay twice yearly. The member assessment records have been recreated. Assessment payments are due on Feb 1 and become late on Feb. 28.

Eduardo asked about the budget line item for Telephone expense. There is a phone in the Ranch house and an extension in the Pump house. The phone plan includes charges for high-speed internet which provides Wifi and the ability to operate the security camera system. (The Ranch house phone is forwarded to Joy at this time.)

Dan F. questioned \$850.00 allocated to the Annual Members meeting. Larry responded that the funds may be reduced depending on other budgeted and non-budgeted items being paid for. He reminded everyone that FCRA is operating under the same budget that was approved for the 2015-2016 fiscal year. The proposed budget for 2016-2017 was not approved by the members.

Motion to approve Treasurer's report as presented was made by Heidi, seconded by Daniel P. and unanimously approved.

Architectural/Building Committee report - Larry Woodruff:

A few building proposals have been submitted and approved since the last meeting. Kim Sturman had 2 approvals for her shed and covered deck. Heidi Mathewson's carport plan was approved.

So far, the procedure for approving building and septic plans has been working well. Documents outlining "how to submit Building and Septic plans" will be included in the Welcome Packet. The information on the friocielo.com website will be reviewed and updated, too.

Joy mentioned that documents such as FCRA Bylaws and Deed Restrictions, which provide information about building and septic guidelines, are supposed to be provided to every new FCRA owner when their realtor files a Resale Certificate. In recent years, new owners were told to 'go online' for these documents and, for private sales without a realtor, the documents often are not conveyed at all.

Budget committee – Pat Lawrence:

Members of the Budget Committee – Joy Benetti, Debby Lawrence, Larry Woodruff, Pat Lawrence and Sue Cook. Several Committee members have worked to get the treasury straightened out and plan to prepare a proposed budget to present to members at the Annual Meeting. The annual audit will be completed and mailed out to members, and perhaps also posted on the website.

#### Equipment Maintenance – Max Morgan:

Max stated that the tractor is currently at the John Deere dealership in Uvalde. The service department will look over the tractor and prepare a written estimate for potential repairs. The Board will decide whether to proceed with repairs once the estimate is received. Max has not had a chance to look at the other equipment, like the generator and weed eater. Andy Mathewson did a welding repair on the lawn tractor, and v-belts are on order. Max does have a key to the lawn tractor. He and Dan L. completed an inventory of equipment stored in the Equipment Barn. Joy requested that the inventory be in written form. There is a chainsaw in the Barn that Max still needs to inspect. The Ranch tractor is a 2002 model and has approximately 1100 hours on it.

#### Water Operator report - Larry Woodruff:

Larry read Report on water usage for November 2016 compared to Nov. 2015. (See attached) Well level is about 25' 9," which is normal. One water hook up has been completed, one is on hold , and one is yet to be installed. Since November 2016, Joy has asked Aaron Martinez several times for a monthly summary report detailing the work he is doing on the Ranch, and he has not yet responded to the requests. Results of water tests are supposed to be posted on the bulletin board and, after numerous requests, Aaron has not provided water test results or any other current FCRA water system records.

Heidi read the Water Operator Job Description that Aaron signed on Oct. 8, 2016. Prior to Oct. 8, he had been employed by verbal agreement, with no written contract. By signing the Job Description, the previous Board extended his FCRA employment for 6 months, through April 2017.

There was considerable discussion about how to get Aaron to comply with requests made of him, including giving him 30 days to turn over records, withholding his paycheck, reporting his behavior to the licensing division of TCEQ, and even firing him. Heidi proposed sending a certified letter to Aaron requesting all records by a certain date, and stating that TCEQ will be contacted if records are not received. Since FCRA must have a licensed water operator for the water system at all times, we would have to locate another licensed water operator to fill Aaron's position, in case he is let go or quits.

TCEQ may have enforcement actions in place for water operators who do not fulfill their obligations, and FCRA could contact TCEQ. Although TCEQ has our water test results, FCRA is ultimately responsible for maintaining our water system and corresponding records. The 'buck would stop' with FCRA, not Aaron.

FCRA has an 'open alleged violation' remaining from a TCEQ investigation performed in June 2015. In December 2016, FCRA learned the violation needs to be resolved by 1/27/17. (Note – the violation is administrative in nature. FCRA water quality is not an issue.) Following a Dec. 19 phone conversation with Aaron, on Dec. 21 Joy sent him a letter requesting that he send her copies of TCEQ correspondence related to the violation by Dec. 30. She also asked to set up a time to meet with him to prepare a response to the open violation. He has not responded. The open violation relates to documentation dating back to when our well was drilled. If the proper documents are not available, FCRA can go through the procedure to file for an exception.

Heidi moved that FCRA:

1. Look for replacement water operator ASAP, in case we need to let Aaron go, and

2. Send a certified letter (including Job Description and water operator license number) requesting that Aaron fulfill the duties in his job description immediately, or FCRA will report him to TCEQ for whatever disciplinary action they deem appropriate.

Clay seconded motion; motion was unanimously approved.

#### Filling Two Vacancies on the Board of Directors:

Larry moved that Eduardo Saldivar and Ricky Musquez be appointed by the Board to fill the unexpired terms of Kenneth Greer (July 2017 expiration) and Jodi Kerce (July 2018 term expiration), who both resigned on Nov. 11, 2016. Heidi seconded the motion. The vote was unanimous in favor of both appointments.

#### Old Business

#### Campground Policies & Procedures:

At least two online surveys about FCRA Camping Policies and Procedures have been completed. The Board considered some of the feedback made by respondents. It includes:

- No owner may reserve more than one campsite on major holiday weekends (Memorial Day, Fourth of July, Labor Day). For example, for July 4<sup>th</sup> weekend, between May 1 and May 31, owners may reserve one spot, on a first come, first served basis. After May 31, they may reserve an additional spot, if available, on a first come, first served basis. Exact wording will be developed.
- Campground reservation fees will be raised from \$10/site/night to \$15/site/night. Funds will be put back into improvements to the campsites and bathhouse. Upgrades include 30 amp breakers at each site, double water hookups at each site and improving the bathhouse.
- The Pavilion can be used by owners for their events at no charge, but they still need to reserve it, in advance, through the Campground Coordinators. If an owner reserves the Pavilion, they must participate in the event. There is a Calendar on the friocielo.com website.

Clay moved that campsite fees be raised to \$15/site/night; owners may not reserve more than one campsite on major holiday weekends (Memorial/Independence/Labor Days) – with more details to be 'crafted,' and the Pavilion must be reserved through the Campground Coordinators in advance. Owners must be present during any event they reserve at the Pavilion. Funds generated by campsite fees will go back to the campground. Heidi seconded the motion. Motion passed unanimously.

#### South Pasture Lease and Indemnity Agreement:

FCRA owner, Ron Malott, is pasturing his two horses in the South Pasture reserved area. He has purchased and put up state required signs on both pasture gates and has secured insurance for his animals. Larry Woodruff worked with an insurance contact to determine whether any additional coverage is needed to limit FCRA's liability for livestock in the pasture. Larry, Joy and Ron devised a Lease and Indemnity Agreement, and a draft was available for Directors and owners to look at. Larry reviewed the points of the Agreement.

The word 'lease' caused concern for some owners; by one owner leasing the pasture, it would exclude other owners from using it, even though all Ranch reserved area is available to all owners for their enjoyment. The word 'use' was

determined to be a better choice than 'lease.' Flying kites or small airplanes in the south pasture should be all right, as long as someone notifies Ron ahead of time. Ron has proposed putting up a paddock/catch pen, so he can corral his horses as needed.

It was noted that Ron is a responsible horse owner who has shown good faith in working with the Board and other owners to look out for both his horses and the Ranch. This initial Use & Indemnity Agreement may not be perfect, but it will give us a good foundation to work from. We have anticipated and allowed for many situations, but we can't make all decisions in advance. One stipulation to be added is that the Board may decide to change or discontinue the Agreement in the future, while providing sufficient notice to Ron.

Clay moved that the Draft 'Lease' Agreement be modified to a 'Use' Agreement to satisfy member use and to include verbiage allowing the Board to make changes to the Use Agreement for the benefit of the entire membership. Heidi seconded the motion. Motion was unanimously approved.

Catch Pen in South Pasture:

Ron submitted a diagram for a temporary 'catch pen' fence to the Board for approval. He would purchase the T-posts and cattle panel, and has received permission from the Flying J Ranch to tie in part of the pen to their fence. The pen would allow him to corral his livestock, when necessary, for their and the FCRA membership's benefit.

Clay moved that the plan be approved as submitted. Daniel P. seconded the motion. Motion passed unanimously.


Next meeting date:

Next meeting date proposed for March 11 or 18. A possible presentation by Sky Jones-Lewey from Nueces River Authority; she is available on those dates. Most school districts are on Spring Break the week of March 13. We would also have a Potluck at the Pavilion (weather permitting) in the evening.

The Board agreed that Sat. March 18 is the best date. Town Hall meeting from 9:30 to 10:15 am.; Board meeting begins at 10:30 in the Pavilion. There will be a Potluck in the evening.

Meeting adjourned.

Minutes approved as corrected on March 18, 2017.

  
Joy Benetti, President