

SONTERRA PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Held at The Management Company Office
November 19, 2009 – 8:30 AM

Directors Present

Bernie DeNisio, Rick Faner, Vince Nazzaro, Dayna Rinklin, John Tracy, Bill Wuest
(Mr. Neneman was no longer employed by the Club at Sonterra at the time of the monthly Board Meeting and, therefore, is no longer appointed by The Club as a Director.)

Guests

Amanda Cockrell, Tonja Condor, Ray Jansure, Josephine Stevens, Chief Marvin Tillman

A quorum was established and the meeting was called to order at 8:35 AM and conducted by Mr. Wuest.

The October 22, 2009 Minutes had been previously provided for review. A motion to approve the minutes was made by Ms. Rinklin, seconded by Mr. DeNisio, and passed unanimously.

In checking the agenda for completeness, the following issues were discussed:

- Mr. Jansure confirmed that monies collected for broken gate arms were credited back into the same account from which gate repair expenses were paid.
- Mr. Jansure advised that over \$6,000 of legal fees pertained to The Management Company at Stone Oak-Sonterra issues.
- Mr. Jansure and Ms. Cockrell assured the BOD that they would follow up with The Carlton Company to ensure the inclusion of additional assessments or late fees incurred after accounts are sent for collection.
- There were no negative responses to the letters sent to residents of The Estates, The Waters, The Enclave, and The Sonterra Villas stating that residents must follow the same security policy regarding large parties as other Sonterra subdivisions.
- Mr. Jansure reported, per counsel, that emails will suffice to substantiate the amount of assessments in arrears and the intent to pay by the Shops at Stone Oak. Payment will begin in January 2010.
- Mr. Jansure also reported that counsel will begin foreclosure procedures on one resident's account.
- Mr. Wuest was concerned about several members with outstanding balances in the range of \$5,000. Mr. Wuest suggested each case be analyzed and, if appropriate, property owners be contacted personally to advise them of the possibility of foreclosure.
- Mr. Jansure displayed a site plan of areas maintained by McFadden Lawn Service. The Association pays the mowing maintenance on some privately owned lots such as one section owned by The Sonterra Vistas Association Ltd. and another by Jesse Baker Investments, Inc. Mr. DeNesio suggested billing the owners for maintenance expenses which would also build a communication record. Mr. Jansure was directed to ask counsel for advice regarding these continued expenses and to include whether to pursue having owners pay the maintenance expenses or to suggest asking owners to consider deeding the property to the SPOA.
- Regarding inquiries from residents for the purchase of drainage easements owned by the Association, Mr. Jansure noted that the resident on Flair Oak rejected the SPOA offer for one parcel. Mr. Jansure will contact Mr. Herring who had not responded to an offer for another parcel. Mr. Jansure confirmed that the Association owns the drainage easement that Mr. Herring wants to purchase.

- Regarding irrigation issues at the Oaks West Entrance, Mr. Jansure referred to the bid in this month's packet. Trenching will be required and the contractor will need to utilize a rock saw. It will be more expensive if a third controller is added as that would necessitate another meter to maintain water pressure. Mr. Jansure confirmed that the area currently being watered is owned by the Association. Mr. Wuest will meet with Joe Acuna to discuss the overall situation and explore a xeriscaping option for this entrance. Mr. Faner said that one of the ARC objectives in developing xeriscaping guidelines for future BOD approval will be to have landscape plans indicate a modification to the existing irrigation system to reflect the change in water usage by adapting a xeriscaping plan. Mr. Wuest reiterated that gate entry landscaping plans will be approved by the BOD.

Financials and YTD Capital Expenses

The October 2009 Financials had been previously provided for review and during discussion, the following items were noted:

- Mr. Jansure reported that page 2 of the Balance Sheet showed a significant increase in current assets due to the "Accounts receivable: homeowners" amount including assessments billed to residents that have not yet been paid.
- Mr. Nazzaro stated that Compass Bank had advised him that the number of checks written on the current Capital account was limited. Ms. Cockrell was asked to confirm whether Compass Bank had informed Mr. Nazzaro accurately in order to determine if a second Capital account is needed.
- Expenditures for gate arms and LPR cameras for The Gardens and The Highlands were paid out of the capital account.
- Revenue for the sale of gate remotes has exceeded the cost for their purchase.
- Mr. Jansure advised that Security Patrol expenses appear to have been under-budgeted when the 2009 Budget was prepared. The increase in October was due to incentive pay to Securitas staff. Mr. DeNisio was of the understanding that a cap was in place for incentive pay and that bonus rates may be calculated for up to 25% of the hourly starting pay. He asked that Ms. Cockrell research this issue to determine whether Mr. DeNisio's understanding is accurate. It was noted that the 2010 Budget should reflect baseline costs and incentive pay. Mr. Jansure complimented Chief Tillman, stating that the Chief's successful program in Sonterra had been used by Securitas to solicit contracts with other neighborhoods.

Other items noted during discussion of the Financials were as follows:

- The cost for maintenance on page 9 was \$37,819.39 above budget due to unbudgeted wall repair costs.
- Lot mowing expenses on page 12 could be subdivided to reflect SPOA property and individual ownership.
- Tracking for the cost of materials used for repair of broken gate arms began in October through a new account created for recordation of those costs.
- Due to three pay periods occurring in August, maintenance wages amounts were higher than usual and all costs are being segregated to reflect whether maintenance personnel responded to a Sonterra or a Stone Oak issue.
- Adjustments have been completed to ensure that Special Assessments received are being deposited to the correct account.

- Violation fees reflect fines for various noncompliant issues and Mr. Jansure reported that those noncompliant issues have grown with regard to yard maintenance during the recent extended drought.
- The BexarMet water bills had reflected the drought conditions and water use had been cut back in the past month per Mr. Wuest's instructions to Expert Lawn. Mr. Nazzaro advised that a Sonterra meter may be supplying a Stone Oak common area along Huebner Road and asked that Mr. Jansure confirm which area is covered by which meter and which POA is paying for the water.

A motion to accept the Financial Statements was made by Ms. Rinklin, seconded by Mr. DeNisio, and passed unanimously.

Delinquency Report

With regard to delinquencies, Mr. Jansure proposed that the Board approve write-offs of delinquent assessments for 30 properties for a total amount of \$18,398.50. A motion was made by Mr. DeNisio to have two Board members review the write-offs and indicate their approval by signature. The motion was seconded by Mr. Tracy and unanimously passed.

A correction to \$155,141.80 was made for total liabilities on the last page of the Delinquency Report. The BOD asked for wordage in lieu of codes to describe line items in the Carlton report. Mr. Jansure was asked to report to the BOD after discussing the status of the account for 19803 Sunset Meadow with the Carlton Company.

2010 Budget Draft

A breakout of Sonterra POA Quarterly Assessments was provided to the BOD for budget planning purposes. Mr. Jansure corrected placement of the entry for Special Assessments-Enclave to the Operating Account column rather than the Capital Account column on page 1. The BOD commended Amanda for her work in providing the breakout figures.

The BOD agreed to ask questions and give input but to delay approval of the 2010 Budget Draft to the December 2009 Meeting. Mr. Wuest suggested that a wall inspection by a Board Member be done to list areas needing repairs for bids. He reiterated that if the needed repair is structural, then the repair is the responsibility of the homeowner. Mr. DeNisio requested that the figures for line item 409: Special Assessment Fees and line item 510: Capital Assessment Fees be confirmed. Mr. Jansure said that he and Amanda will confirm figures. Mr. Nazzaro asked if line item 737: The Management Fee was to be the same amount for 2010 or adjusted. Mr. Jansure responded that The Management Company Budget must be finalized first, and then any changes to The Management Company fees would be determined. Ms. Rinklin noted that as a not for profit entity, any surplus funds would have to be returned in an end of year reconciliation.

Ms. Cockrell departed from the meeting and a break was taken at 10:53 AM. The meeting reconvened at 11:02 AM.

Finance Committee

Mr. Nazzaro reminded the BOD that any expenditure over \$500 should be considered for payment from the Capital Account. The Finance Committee noted that expenditures for services cannot be capitalized.

The Management Company

Mr. DeNisio and Ms. Rinklin requested the BOD approve a capital investment in a new truck for use by Sonterra rather than leasing trucks from the Stone Oak POA. After discussion, a motion to purchase a new full size maintenance vehicle not to exceed \$25,000 with funds from the Sonterra POA Capital Account and to allow for appropriate outfitting to be determined by the maintenance supervisor was made by Ms. Rinklin, seconded by Mr. Wuest, and passed unanimously. Mr. Jansure and Mr. Mauricio will purchase the truck.

Awareness Committee

Mr. DeNisio brought a recommendation from the Awareness Committee for rapid recovery gate arms to be installed in The Greensview in 2009 and then to proceed to installations in The Breezes, The Meadows, The Vistas, and the "Midview" gate near The Waters in 2010. A motion to approve a capital expenditure not to exceed \$9,000 to install the rapid recovery gate and LPR camera in The Greensview was made by Mr. Nazzaro, seconded by Mr. Faner, and passed unanimously. A resident in La Cierra asked for waiving of fines for not displaying a decal. The Awareness Committee recommended that the fine not be waived and the BOD concurred.

Landscape Committee

Mr. Wuest suggested to progressively replace existing landscaping with selections that can be maintained with the current water supply at The Highlands. He will obtain a proposal from Expert Lawn for xeriscaping and report back to the BOD. Mr. Wuest also reported that the main fountain at the entrance to the Club at Sonterra on Stone Oak Parkway needed re-plastering of the middle fountain bowl. Once an estimate is obtained, the expenditure will be addressed through a unanimous consent to be distributed to the BOD.

Annual Meeting

Ms. Condor reported on the term status of Board Members: Mr. Wuest is on his first elected term which will expire March 2012; Mr. Nazzaro confirmed he will accept being nominated to serve another term, and Mr. DeNisio's final term will expire in 2011. Mr. Wuest and Mr. Tracy will serve as the Nominating Committee and will accept suggestions from everyone. Ms. Rinklin's second term expires in 2010 and she asked that another woman be sought for nomination to replace her. The BOD asked Ms. Condor to verify availability of a meeting space for the Annual Meeting on March 24, 2009 and the Quarterly Meeting on March 25, 2009.

Architectural Review Committee

Mr. Faner reported that xeriscape guidelines are being developed and he will bring a recommendation to the BOD for determination of the final xeriscape policy. He noted the property on Kristen Way comprised of two adjacent lots was making progress. Ms. Condor reports Mr. Dana Polansky inspected the property at 19220 Trailview and deemed it now complete. Mr. Polansky was also scheduled to inspect the status of the hot tub at 19224 Trailview. Mr. Wuest requested that Mr. Jansure follow up to ensure that the cul-de-sac in The Meadows had been pressure washed.

Updates

Mr. Jansure will send a list of shortfalls for the wall and fence repairs to Al Franz and check for completeness before final payment is sent. A letter confirming completion of wall and fence repairs will then be sent to residents and Mr. Wuest will write an article upon completion for the newsletter.

Mr. Jansure reported that he has not received the necessary documents from Mr. Gonzalo Bautista to begin tax preparations for The Vistas.

Mr. Wuest volunteered to be the representative for the Association to the Stone Oak Neighborhood Representatives Committee. He also reported that the Association does not have a representative to the District 9 Alliance and that the representative need not be a Board Member. The issue was tabled.

Mr. Wuest asked Board Members to R.S.V.P. for the Sonterra Volunteer Annual Gathering on December 9, 2009. The office will close at 4:30 PM and Ms. Condor will coordinate the cleaning crew. Ms. Rinklin requested volunteers and will assign tasks.

Mr. Jansure reported there were no updates at this time on the maintenance yard makeover.

Mr. Jansure presented a bid from McFadden Lawn Services for re-grading the drainage easement in the greenbelt in The Oaks-West. A motion to spend up to \$1000 for re-grading the drainage easement in the greenbelt in The Oaks-West to be paid with funds from the Operating Account was made by Ms. Rinklin, seconded by Mr. Wuest, and passed unanimously. The consensus of the Board was that the Sonterra POA would handle the costs of major repairs and maintenance issues, but general maintenance of the area would be the responsibility of The Oaks sub-association.

Ms. Rinklin reported that the Club at Sonterra owns the lot between the 1st and 2nd holes on the golf course. Mr. Wuest will email Mr. Barry Carter and the new general manager at The Club to document ownership and establish maintenance responsibility.

Mr. Wuest reported that one of the Area Representatives in The Oaks resigned and Mr. Nazzaro suggested Ms. Suzanne Blaylock as a replacement. Ms. Condor will contact her to determine whether she would be interested in serving.

The BOD noted that Bexar Met has a new general manager, Mr. Victor Mercado, who is interested in meeting with area representatives. Mr. Wuest will invite him to attend the Quarterly Meeting on March 25, 2009.

Mr. Jansure reported that the Stone Oak BOD discussed whether to do annual audits or a compilation review. Mr. Jansure noted he could obtain figures on the cost of an annual or 2 year audit, and also a compilation review. The Board agreed to review costs comparison.

A motion to adjourn was made by Mr. Nazzaro, seconded by Mr. Wuest, and passed unanimously. The meeting adjourned at 1:07 PM.