

**SONTERRA PROPERTY OWNERS ASSOCIATION**  
**BOARD OF DIRECTORS MEETING MINUTES**  
**Held at The Management Company Office**  
**December 17, 2009 – 9:00 AM**

**Directors Present**

Rick Faner, Vince Nazzaro, Dayna Rinklin, John Tracy, Bill Wuest

**Directors Absent**

Bernie DeNisio, Club at Sonterra Representative

**Guests**

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

A quorum was established and the meeting was called to order at 9:09AM and conducted by Mr. Wuest.

Mr. Wuest brought a recommendation to the Board to provide Chief Tillman with an end of year bonus. A motion to approve a \$1,000 end of year bonus for Chief Tillman was made by Mr. Tracy, seconded by Mr. Faner, and passed unanimously.

The November 19, 2009 Minutes had been previously provided for review. A motion to approve the minutes was made by Mr. Tracy with the addition of a proposed addendum (content of the discussion regarding the purchase of the truck) to be reviewed and voted upon by the Board. The motion was seconded by Mr. Wuest, and passed unanimously.

**Financials and YTD Capital Expenses**

The November 2009 Financial Statements had been previously provided for review. The following line items were noted and discussed:

- Expenditures from reserve-The \$21,295.35 amount for 1 Month Ended November 30 on page 6 resulted from the purchase of the new maintenance truck. The \$55,197.03 amount for 11 Months Ended November 30 mostly reflects costs for the maintenance truck, the rapid recovery gate arms for The Gardens and The Highlands, and re-landscaping of the main entrance at Sonterra Boulevard.
- Gate opener sales on page 8 have brought in revenues of \$11,050.00 while the Cost of gate remotes under Operating expenses was only \$6,080.68.
- The \$27,008.12 Revenue Variance increase for Assessments fees included partial payments resulting from the Sonterra Capital Suit settlement.
- The \$18,213.76 Revenue Variance increase for Late fees came from late fees collected on accounts with past due assessments.
- Operation expenses for Security Patrol continued over budget because the amount was under budgeted originally.
- The Variance for Management fees reflects the fact that a higher amount was budgeted than was actually contracted to be paid to The Management Company
- Depreciation expenses on page 9, based on the standard 5-year schedule, showed a larger monthly increase from September to October due to depreciation on additional equipment or assets such as the rapid recovery gate arms and cameras purchased by the Association.

- Transfers to the Reserve Account have been based upon a percentage of the quarterly capital assessments and have been adjusted in the past by the needs of the Association as justified through a reserve study.
- The main entry fountain maintenance expenses were under budget due to the Stage 2 Drought Restrictions, and needed repairs for water leaks in the fountain bowls should remain well within budget.
- The overall Variance increase for Total maintenance expenses on page 12 was attributed to work on three (3) subdivision walls.
- The Maintenance expenses for Gate Arm repair were tracked for the first time in 2009.

Mr. Nazzaro inquired about the progress in identifying which lots currently being maintained by the Association with regard to drainage, clearing, and mowing were actually not assets of the Association but held under private ownership. Mr. Jansure affirmed he will continue to investigate ownerships.

A motion to approve the Financials was made by Ms. Rinklin, seconded by Mr. Nazzaro, and passed unanimously.

#### **Need for Second Capital Account**

Ms. Cockrell confirmed that there is a three (3) check per month limit on the present money market account being used for capital funds, so the recommendation would be to use the other capital account for capital fund payments to negate the need to pay from the operating account and then reimburse from the capital account.

#### **Sonterra Capital Suit Status**

Ms. Cockrell reported that Sonterra Capital was making payments and would be up to date on past due amounts in early 2010.

#### **Delinquencies**

Mr. Jansure reported that the final demand letter for a delinquent account in the Fairways was sent to the resident and would expire December 20, 2009; counsel was prepared to file suit in January 2010. The final demand letter for the delinquent account of the Sunset Meadow residence was posted. Mr. Jansure and Ms. Cockrell were asked to follow up with counsel to ascertain the equity in both properties.

#### **Shops at Stone Oak**

Mr. Jansure reported that the Shops at Stone Oak still planned to begin payment of past due assessments in January 2010 as formerly agreed.

#### **2010 Draft Budget**

A copy of the 2010 Annual Budget Draft-Revised 12/15/09 was previously provided. Mr. Jansure began the discussion with the comment that a deliberate attempt was made to reduce costs and to assure that the Capital Reserve Fund was reimbursed for loaned funds that were misallocated to the operating fund. The Breezes, Enclave, Vistas, and Midlands have special assessments. Special Assessments received from The Vistas and The Midlands are deposited to the capital reserve fund.

Mr. Faner asked for clarification on line item 719 for vehicle maintenance. Ms. Rinklin stated that the payment to Stone Oak for truck use would end, but the Association would still reimburse The Management Company for maintenance, fuel, and insurance for one truck.

Mr. Nazzaro asked for clarification on line item 737 for the Management Fee. Ms. Rinklin passed out copies of The Management Company 2010 Draft Budget as part of the explanation for the Management Fee. Mr. Nazzaro reviewed items that summarized the amount spent on initial set-up and day-to-day operations during the first year by the Management Company. Since some of the costs were one time only events, Mr. Nazzaro asked whether the second year would see a reduction in the Management Fee. Mr. Wuest noted that savings from the non-recurring events were being offset by increases in wages, rent, utilities, and employee taxes in 2010. Regarding the need to budget for accounting software replacement, Ms. Cockrell reported on the limitations of the current TOPS software. Many of the requested reports must be done by hand. Invoices cannot currently be customized so additional messages to residents must be printed separately. Mr. Nazzaro asked if the insurance payment was a 2010 expense item and Ms. Rinklin confirmed it was. The negotiated agreement to split 60/40 between the Stone Oak POA and the Sonterra POA for rent and utilities remains in effect. The compilation of hourly time spent on tasks by staff for Stone Oak POA and Sonterra POA was a near 50/50 split. Mr. Wuest expressed his confidence that The Management Company 2010 Draft Budget was based on the best extrapolated knowledge available.

Regarding the Sonterra 2010 Budget Draft, Mr. Nazzaro asked if the \$17,548 under Capital Account Repayment was reflected in the Capital Reserve Transfer. Mr. Jansure responded it was not included and that the repayment funds would come out of net operating revenue. The total \$17,548 amount would be received as twelve monthly transfers of \$1,462.34 each to the Capital Reserve.

A motion to accept the 2010 Budget was made by Mr. Wuest, seconded by Mr. Tracy, and passed unanimously.

A break was taken at 10:38 AM. Chief Tillman arrived and the meeting reconvened at 10:45 AM.

### **Financial Committee Truck Ownership**

Ms. Rinklin moved to table the discussion on ownership of the truck to the January 2010 BOD Meeting after the BOD has met with legal counsel, an accounting representative, and the insurance representative as a group and received their advice on how best to handle the issue. The motion was seconded by Mr. Nazzaro and passed unanimously.

### **Special Assessments/Capital Reserve Fund Paybacks**

In addition to prior discussion in the meeting, Mr. Nazzaro suggested that if additional monies from back payments were received, that those individual amounts be deposited to the Capital Reserve Fund per approval by the BOD.

### **Vistas Lot Sale & Collection of Purchasers Special Assessments**

Mr. Jansure reported that Mr. Gonzalo Bautista has agreed to pay the special assessment of \$3,379.03 that was due at closing for the sale of a lot in The Vistas over a 6 month period beginning in January 2010. He has also agreed to pay the \$38,992.49 owed in past due assessments on his lots in The Vistas

over a twelve month period as \$3,379.03 per month payments, while paying the current assessments as they become due. His accounts will be totally up to date by the close of 2010. The payments will be deposited per their special and regular assessment designations.

Ms. Cockrell departed at 10:52 AM.

### **Call Box Entry Proposal**

Ms. Condor reported that current data line entry procedure associated one surname per household with one entry code which was then programmed to one phone number. A resident asked for reconsideration to allow two surnames at one residence to be listed as separate line entries. Although the Board had previously denied the request in its October 2009 meeting, it rescinded its decision and agreed to allow this resident to have two surnames listed as separate data line entries but both tied to one phone number.

### **Landscape Committee**

Mr. Wuest reported that after meeting with Mr. Acuna from Expert Lawns, the Landscape Committee recommended a xeriscape plan be developed for the front circular island in the entry of The Highlands. Mr. Faner acknowledged that while a xeriscape directive by the Sonterra ARC was still in formulation, it would include minimum guidelines to avoid merely replacing lawn and plants with hardscape and would be primarily focused on residential landscaping. Mr. Nazzaro noted that uniformity had been one of the tenets for the common walls and likewise the look and feel of the neighborhood entries so far were consistent except for the entry at the Club at Sonterra which was partly a test case. Ms. Rinklin noted xeriscape should be considered when replacement became necessary due to lack of water and sun exposure. Mr. Wuest stated landscape styles for entries should be considered on a case by case basis. Ms. Rinklin moved to accept the landscape plan for The Highlands entry not to exceed \$800 from the capital fund. The motion was seconded by Mr. Tracy and passed unanimously.

An outline of considerations and recommendations for enhancing The Oaks West Entry was distributed previously. Discussion took place concerning the landscape proposal for the west entry at The Oaks, previously presented for review at the September Board meeting. Ms. Rinklin moved to accept the landscape proposal for The Oaks West Entry not to exceed \$26,000 from the capital fund. The motion was seconded by Mr. Tracy. The motion carried with four (4) "for" and one (1) "against." Mr. Nazzaro requested that the full dialogue of the discussions on this topic be included as an addendum to the minutes with the attachment of the rationale for the proposed enhancements to The Oaks West entrance landscaping. A copy of the full dialogue is attached to these minutes as Addendum "A" and a copy of the proposed enhancements as Addendum "B."

Mr. Nazzaro asked for the status on determining which entity owned the area between the wall and the road and paid for irrigation. Mr. Jansure reported that while he was still researching who owned the property outside the wall, the Sonterra POA owned the water meter and paid for irrigation along the sides while the Stone Oak POA paid for maintenance. The medians along Huebner Road were confirmed to be maintained and watered by the Stone Oak POA.

**Annual Meeting**

The BOD agreed to the scheduled date for the Annual Meeting on March 24, 2010 at 7:00 PM at The Club at Sonterra with the Quarterly BOD Meeting to begin at 9:00 AM and the Area Representatives to join the meeting at 12 PM on March 25, 2010 at the Club at Sonterra.

**Updates**

Mr. Jansure reported that the resident interested in the lot at the corner of Flair Oak and Treaty Oak had opted out; another resident was still considering purchase of a another lot.

The Fairways representative asked for street repairs to be reviewed but the BOD felt the repairs were more aesthetic in nature than actual maintenance issues.

Mr. Jansure reported that the Highlands resident who had discovered that during heavy rains the drainage easement behind his property floods into his rear yard continues to insist the Sonterra POA address the drainage so as to avoid such flooding. A meeting with the resident and his attorney is scheduled for Tuesday, Dec. 29, 2009 at 9:30 AM at The Management Company office. All BOD members were invited to attend. The Sonterra POA will also be represented by legal counsel.

Chief Tillman reported that The Greensview gate arm was ready for activation.

Mr. Wuest, on behalf of the Board, presented Chief Tillman with a bonus check for \$1000 in appreciation of his service.

Ms. Rinklin announced that by hosting the Holiday Reception in The Management Company Office, the Association saved \$1,655 in comparison to costs incurred in 2008.

Mr. Wuest adjourned the meeting at 12:00 PM.

A COPY OF  
ADDENDUMS "A" AND  
"B" MAY BE OBTAINED  
FROM  
THE MANAGEMENT  
COMPANY OFFICE