

**MINUTES OF THE ANNUAL MEETING OF MEMBERS  
OF  
THE MONTEREY DUNES COLONY ASSOCIATION  
AND  
MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION**

**Meeting held on October 20, 2001**

Dick Love called the combined Annual Meeting of the Monterey Dunes Colony and the Mutual Water Association to order at 10:10 A.M., Saturday, October 20, 2001, at the Monterey Dunes Colony Homeowners Association Clubhouse.

Directors Present:

Dick Love, President  
Burke Critchfield, Vice President  
Mary Jansing-Balgooyen, Treasurer  
Jeff Schwartz - Director

Directors absent:

Matt Zelesko, Director

It was M/S/C to approve the Agenda for the meeting.

**APPOINTMENT OF ELECTION OFFICIAL**

Without objection it was M/S/C to appoint Bill Hoisington Inspector of Elections to preside over the tabulation of votes for both the Monterey Dunes Colony Association and the Mutual Water Association. Bill Hoisington accepted the appointment.

**ROLL CALL TO DETERMINE QUORUM AND ELIGIBILITY TO VOTE**

Bill Hoisington called the roll of homeowners. Homeowners present responded by confirming their presence and stating if their proxy submitted would be revoked or stand. The following Homeowners gave verbal proxies: Unit 120, Peter and Christine Shambora, Unit 158, Jim and Nancy McFeeters, Unit 162, Marcia and Ted Adams, Unit 200, Bill and Mary Ann Hoisington, Unit 222, Jane Meyerhoff. After tabulation, Bill Hoisington announced that the proxies account for over 80% of Board votes; therefore if someone called for cumulative voting, there was no combination of votes that could elect a director given the amount of proxies assigned to the Board.

RESOLUTION:       It was M/S/C, unanimously, that the nominees, Marty Deggeller, Ellen Michaels, Dick Love, Mary Jansing-Balgooyen, and Burke Critchfield be voted in as directors for both the Water Company and MDCA.

Dick Love asked that any new homeowners present at the meeting stand and introduce themselves. Jim Forster and Linda Dotson, Unit 336 introduced themselves and were given a warm welcome by the membership present at the meeting.

### **APPROVAL OF THE OCTOBER 21, 2000 ANNUAL MEETING MINUTES**

Dick Love asked if any present wished to have the minutes of the last annual meeting read out loud. By majority consent the reading of the last annual meeting minutes was waived.

RESOLUTION: It was M/S/C to approve the October 21, 2000 Annual Meeting Minutes with one amendment. The amended minutes will include that the President read out loud and the members present approved IRS Revenue Ruling 70-604. This ruling was originally approved by the members and signed by the President and Secretary on October 21, 2000.

### **BUSINESS FROM THE FLOOR**

Dick Love announced that at a previous Board meeting, the Board approved a donation of \$100.00 to the Elkhorn Slough Foundation for a fund raising activity. The Foundation sent the Association a letter of appreciation for their contribution. Dick read the letter out loud to the membership. Dick further stated that this fundraiser was open to individuals as well as organizations and anyone can contribute to the Foundation to help expand the watershed. It was suggested that management include Elkhorn Slough contribution envelopes with our quarterly newsletter and include a notice on our web page letting members know that they can get copies of the Foundation's newsletter at the Association's Administrative Office.

### **WATER COMPANY QUESTIONS & ANSWERS**

Dick Love gave a brief update on the condition of the South Well. Dick stated that as most homeowners already know, there are indications that our South Well has some sort of saltwater intrusion, either as intrusion from the deep aquifer, or from a leak in the casing in the upper area of the well. Dick stated that we were in the middle of pretty extensive testing to determine the source of the bad water and should have the results of the tests back soon. If the tests come back showing the saltwater intrusion is from the upper aquifer, we can possibly repair the well but if the tests come back showing intrusion into the deep aquifer, we will have to look at the possibility of abandoning the well and finding another water source.

A homeowner asked if he was correct in reading the minutes from previous meetings that inserting a smaller well casing, or liner in the south well would also reduce our ability to extract sufficient water from the well to supply the colony. Tom answered that he was probably correct in that we would lose about 50 gallons a minute because of the reduced

size of the casing, but this only meant that the pump had to pump longer to fill the storage tank. Tom further stated that one of the downsides of pumping the well longer would be that we would use more energy to pump the same amount of water. Mort asked the ballpark figure to replace the well. Tom answered that the geologist had estimated 250 to 300k to replace the well. This may not include an additional 50k to cap the existing well if we went that route. Mort asked the figure previously quoted for hooking up to the Castroville Water District. Tom stated that he has seen the figure, 1.5 million in correspondence back in 1995. The last two options were a brackish reverse osmosis system or a complete saltwater desalination unit, costing 80 to 100k and approximately 200k respectively. Again, Tom stated that energy would play a big part in using a reverse osmosis system along with getting the permission from the Health Department to dump, or otherwise dispose of the brine and bad water runoff.

Dick Love stated that we are almost at the end of the testing phase and should have enough data to make a good decision on which method or remedy we will select by the next Board meeting.

## **PRESIDENT'S REPORT**

Dick thanked the current Board members for their support over the past year. He went on to thank the Finance and ECC Committee members. He then said a special thank you to Bill Hoisington who volunteers to be Inspector of Elections each year and to Mary Jansing-Balگوoyen who in addition to all her other duties, organized this year's annual barbeque. In addition, Dick thanked Tom Bugary for making his job as the President of the Board easier, and for making such a big difference as the General Manager at Monterey Dunes Colony.

Dick stated that the Association had accomplished a great deal during the past year however, reserve projects continue to be an ongoing process. Dick continued his report by saying that our reserve fund capital improvements are in the second year of a five-year plan and that it's important for everyone to remember that at the end of the first five years we will have completed about half of the required reserve projects in the Colony. When the current plan is complete, we will still have to fund years 6-10 with another assessment of approximately \$20,000 per unit. Some large projects in the second five years will include a major colony-wide sidewall shingle project, finishing the deck and window replacement projects and major common area repairs and equipment replacements.

## **Repairs**

Tom was asked if he updates the replacement priority list each year and makes adjustments to his replacement schedule based on these inspections. Tom stated that he re-looks each project periodically and adjusts priorities as necessary trying to make sure the worst decks and windows get repaired first. Tom also stated that he has to follow the budget and replace only the quantities budgeted each year. He continued by saying that he has had no problem selecting failing decks and windows for replacement this early in the 5-year budget.

## **FIREPLACES**

A homeowner asked Tom for a count of fireplaces needing replacements this year. Tom reported that there were only five units that were red-tagged in this year's inspection process. All units that were red-tagged were sent certified letters notifying them of the status of their fireplaces.

## **NEW BUSINESS**

Dick read the IRS Revenue Ruling 70-604 declaring for the purposes of the 2001 – 2002 tax year that excess revenue will be carried over into the new fiscal year.

**RESOLUTION:** It was M/S/C to approve the IRS resolution as written.

## **SOCIAL COMMITTEE**

A homeowner commented that it was a shame that the homeowners only got together once a year for the annual meeting and barbeque. She suggested the formation of a social committee to arrange homeowner dinners/events throughout the year, similar to what the Colony used to do in years past. There was a discussion concerning social events, and of forming a social committee. The Board discussed this topic, without resolution.

## **ADJOURNMENT**

Without further discussion it was M/S/C to adjourn the meeting. The next Directors meeting will be Saturday, November 17, 2001 at 10:00 A.M.

Respectfully Submitted,

*Thomas J. Bugary*

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Secretary