

**COMBINED MEETING OF THE BOARDS OF DIRECTORS
MONTEREY DUNES COLONY ASSOCIATION
AND
MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION**

March 28, 2009

PRESENT

George Maciag, President
Bill Michaels, Vice President
Mary Jansing Balgooyen, Treasurer
Jeff Schwartz, Director
Tom Bugary, Secretary and General Manager

ABSENT

Frank Williams, Director

WELCOME

George Maciag called the meeting to order at 10:00 AM, March 28, 2009 at the Monterey Dunes Colony Clubhouse.

MINUTES

The Board reviewed the minutes of the January 17, 2009, Board meeting. It was M/S/C to approve the minutes as written.

TREASURER'S REPORT

Mary Jansing Balgooyen, Treasurer, gave the Treasurer's Report for January and February 2009. Mary noted that the payments to the Capital Replacement Fund of \$16,320.00 per month and \$3,750.00 per month to the Mutual Water Association were current. Additionally, Mary stated that account balances could be seen in the written report, which has been attached to and made part of these minutes.

FINANCE COMMITTEE REPORT

John Gentry, Finance Committee Chair reported that the Finance Committee met the previous day to review the first 8 months of the 2008-2009 operating and reserve budgets and to review a draft of the FY 2009-2010 operating budget prepared by the General Manager. John reported that all budgeted expenditures are at, or close to, their budgeted amounts. John further stated that the colony has an ongoing unbudgeted expense for last year's storm damage, coastal dune repair and current work on wave run-up protection of which the committee combined to call "Coastal Projects". This line will be for money spent or allocated for contract work by our coastal biologist, engineering, permits, contracts, and materials used to protect the southern portion of the colony from erosion and future storm damage. The Coastal Projects expense is estimated at

\$55K for 2008-2009, but due to savings in other budgeted lines, this year's budget is estimated to end the year at about \$20K in the red. The operating account will try and cover this unbudgeted expense this year, however, the operating account will not be able to cover any future unbudgeted expenses in this line. The Finance Committee feels that it would be prudent to budget some funds for the 2009-2010 Coastal Projects expense, even though the actual amount of money needed to complete the wave run-up barrier project is still unknown. Any future project dollars would have to be obtained in the form of a special assessment from the members.

John continued by saying that in order to maintain the same level of operations and services, and adding a Coastal Projects expense line of \$15,800, the Committee recommends that the monthly assessments be increased 4.6%, from \$760 per month to \$795 per unit per month. \$136 of the \$795 goes to the reserve fund to offset the annual reserve assessment.

The board acknowledged that this new "Coastal Projects" budget line of \$15,800 will not meet the contractual needs of the colony in 2009-10 and discussed options on how to obtain the necessary cash to complete the wave run-up project next year, not ruling out borrowing from our reserves and ultimately, special assessments to the members.

The Board M/S/C to approve the operating budget as presented by the finance committee.

ENVIRONMENTAL CONTROL COMMITTEE (ECC)

The ECC met via telephone conference on February 17, 2009, to review 3 requests:

Unit #124	Remove Acacia outside of unit and replant	Approved with stipulations.
Unit #160	Remove Acacia outside of unit and replant	Approved with stipulations.
Unit #310	Sheetrock garage	Approved with stipulations.

GENERAL MANAGERS REPORT

Management Summary

MONTEREY DUNES COLONY ASSOCIATION

Deck and Fence Replacements

This report covers the 2008-2009 fiscal year, July 1, 2008 to date. Association carpenters have completed 10 of the 15 scheduled decks this fiscal year. Decks were replaced at units 128, 142, 174(2), 202(2), 242, 264, 284, and one contractor deck.

Courtyard fences completed, all or in part, this year are at units 128, 174, 202, 242, 272, 282, 284 and 330.

Window and Entry Door Replacement

The Association replaced 51 windows at units 128, 142, 174 and 232. Unit 208 is scheduled for window replacements starting this month and Unit 200, this fiscal year. We have also replaced 6 vinyl block frame windows this fiscal year and two aluminum Blomberg Sliding Glass Doors.

Association Carpenters have replaced 6-entry doors and 1 garage door since July 1, 2008.

Re-siding

Siding has been replaced all, or in part at units 108, 124, 128, 130, 140, 142, 172, 174, 176, 202, 224, 226, 228, 232, 234, 236, 280, 282, 268, 270, 272, 278, 282, 306, 308, 310 and 330.

Fumigations

Units 276-278-280 were re-fumigated on February 16-18, 2009 under our warranty with Terminix.

Unit garages for units 172-174-176 were also re-fumigated under this warranty on March 24-26.

Units 144-146-148 are scheduled for re-fumigation on September 21-24, 2009.

Units 108-110-112 were identified with live re-infestations of drywood termites and are pending re-fumigation.

Units 172-174-176 were identified with live re-infestations and are pending a determination of necessary treatment for the structure.

FPE Electric Panel Replacement

In June, 2008 management completed the inspection of all 120 units, identifying the type of electric sub panels that are installed in each unit. Upon review of the results of the inspection, the board directed that management send letters to each owner of existing Federal Pacific Electric, (FPE) sub panels and again notify these homeowners of this necessary replacement. As of July 19, 2008 there were 39 FPE Electric Panels still installed in MDCA units. The Board directed that those panels still not replaced by the homeowner 6-months after date of the letter be replaced by the association and the cost of the replacement charged to the owner in the form of a reimbursable assessment.

As of the date of this report, there are 7 units remaining with original FPE panels installed: Units 104, 112, 208, 230, 236, 238, and 308. These units will be scheduled by management for replacement panels, unit owners will be notified of dates for this maintenance and will be billed the cost for the replacement in the form of a reimbursable maintenance assessment.

Storm Damage

Previously reported:

Due to strong winter storms in January and February, the colony experienced damage to the fore-dunes, with tons of sand and debris thrown up onto the property, covering existing vegetation and damaging common area boardwalks and one of our 9 sewer systems.

During the week of March 17 through the 21st and on March 24th, management augmented the association staff with laborers from a local manpower agency and repositioned much of the debris back in the area of the washed out dunes. State Parks Rangers stopped our work on Tuesday, March 18th claiming that we were encroaching on state property. After reviewing the survey markers, it was determined that we were working on our own property and we continued to re-deposit the driftwood back in the washed out areas staying within our property lines. Repositioning the driftwood back to the foredunes was the recommended method of repairing the dunes by Dr. David Shonman, a coastal biologist the association had hired as a consultant in 1983 during a "50-year" storm that destroyed much of the foredunes on the southern half of the colony. Much of the dunes were restored after completing his recommended repairs.

On Tuesday, March 25th, management was given a stop-work order by the coastal commission. Officials from the State Parks had informed the San Francisco office of the Cal Coastal Commission that we were “re-developing the fore-dune area. After explaining to the investigator what we were actually doing, the officer said that she “needed to acquire more information” in order to determine if a permit was necessary to repair our fore-dune area.

Within a week of that stop work order, 90% of the state beach area adjacent to the fore-dunes was partitioned off and identified as a federally protected refuge for the western snowy plover nesting season. At this point, all work stopped.

At the direction of the Board, management solicited the assistance from a coastal biologist in an attempt to schedule some repairs to the fore-dunes, or at least try and re-vegetate some of the washed out areas, however, after consulting with the State Parks on our behalf, the biologist stated that the repair model for repositioning the driftwood in the washed out areas (made in 1983), was written before the snowy plovers were declared endangered. Therefore, any repositioning of wood back to the washed out areas had to be coordinated through the state parks system.

David Shonman contacted the Coastal Commission and explained our situation to the enforcement officer who had issued our stop order. The enforcement officer requested from David Shonman that I, as managing agent, discuss the circumstances surrounding the repairs to our foredunes directly with him rather than through the biologist. On March 23, 2008 I made contact with Mr. Sharif Traylor, from the Coastal Commission and had a lengthy discussion concerning our repairs to the fore-dunes. At the end of our conversation Mr. Traylor stated that he had been misinformed as to the scope of the dune repair and rather than conducting a re-development of the fore-dune area, we were enacting a "soft repair". He asked that MDCA work with the State Parks and with the Point Reyes Bird Observatory, (PRBO) biologists in an attempt to work out an agreement to repair our fore-dunes in future years keeping in context the federal protections placed on the snowy plover. He then asked that I come back to him with a plan that has been agreed upon by all players.

After developing a position paper, David Shonman coordinated a meeting on June 30, 2008 between the MDCA, State Parks District Ranger, PRBO, and State Parks Permits, (the Coastal Commission declined to participate). The meeting included a site visit of the fore-dune area, a lengthy discussion of past repairs, right of access, and Western Snowy Plover protection issues. While the meeting was productive, it showed caution and concern on the part of the PRBO biologists to assist the colony with future repairs to our dunes outside of a very narrow window each year. At the end of the meeting all parties agreed that MDCA would develop and submit a proposal/plan (for staffing and comment) by all state agencies involved, as well as by the Federal Department of Fish and Wildlife.

MDCA submitted a proposal to State Parks on June 30, 2008. As a courtesy, MDCA kept the Coastal Commission informed of the submittal. David Shonman, dealing directly with Mr. Ken Gray in the State Parks, (permits and records) informed me that the State would like to see a property line where they could determine any lost beach property due to erosion. At my request, David Shonman contacted Rogers E. Johnson and Associates and obtained an estimate to resurvey the 12 reference points on our beach, first surveyed in 1983 and again in 1995. These surveys show the historical changes in the beach and fore-dunes as compared to past records. In addition, David Shonman advised that we also hire a licensed surveyor to determine our actual “legal” north-south property line with the State. Rogers E. Johnson and Associates do not determine legal property lines, however their survey lines are very accurate. They survey reference points using geographical data as opposed to county recorded deeds.

With the Right of Access proposal submitted to the State for staffing, we can reasonably expect some sort of an answer within the next few months. The process is slow and I can only assume that the document submitted will be adjusted several times before an actual agreement is reached and a permit secured.

Recommendation: To approve up to \$6,740 for Rogers E Johnson & Associates to survey the 12 beach reference points and prepare a report in accordance with the Cost Estimate provided.

The Board M/S/C the above recommendation.

On September 5, 2008 management received a Notice of Exception from the Department of Parks and Recreation to the State Planning and Research Department in Sacramento. This document authorized the development of a Shoreline Maintenance Right of Entry Permit between the State Parks and the colony. Along with this authorization came the actual draft Right of Entry agreement/document for association review and Board signature. This document is currently in negotiation and with minor adjustments will allow the colony the necessary access to provide foredune maintenance and dune restoration.

Rogers Johnson & Associates completed the shoreline boundary survey the first week of September. David Shonman and I met with Mr. Johnson on Monday, September 15, 2008 and went over the preliminary findings of this survey and report. We also discussed soft as well as possible “hard fixes” to the damaged foredunes on the southern portion of the colony. Following that meeting, David discussed these repairs with members of the Coastal Commission Planning Department to include the possibility of emergency repairs if future storm seasons were to again pose a threat to any of the buildings on the property.

On Tuesday, September 16th, George Maciag, (Board Director), Tom Bugary, (GM), Carol Turley, (GM, Pajaro Dunes Association) and David Shonman, our Coastal Biologist met at the association clubhouse. The purpose of this meeting was:

- *to discuss (from a historical perspective), emergency operations enacted to protect the houses at Pajaro Dunes Association during the winter storms of 1983.*
- *to discuss the PDA manager’s experiences in the formation and functionality of a Geologic Hazard Abatement District at Pajaro Dunes, formed in 1999. The district is a government entity composed of the Board of Directors and members chartered to react to maintenance and emergencies concerning their seawall. They are a state organization with powers to maintain and/or repair their seawall from any natural threat.*
- *and to discuss the feasibility of other remedies the Coastal Commission may recommend if it became necessary to enact a “hard fix” to our foredune area.*

On October 1, 2008, David Shonman met with Ken Gray from State Parks to finalize the Right of Entry Permit which would allow us access out on the beach to perform dune restoration and maintenance. We are now waiting for a release from our Stop Work order from the Coastal Commission in order to enter into this special permit agreement with State Parks. With the winter storm season coming soon, a written answer from the Coastal Commission Enforcement Division is becoming the major focus of our efforts. While we have verbal clearance from the Coastal Commission, we are 2-months past due on a positive written response. We need this clearance from the Coastal Commission in order to finalize the permit process to protect the homes at the southern end of the property.

At the recommendation of Rogers Johnson and Associates, David Shonman and I invited John Kasunich, a coastal engineer to MDCA to discuss methods of diverting storm run up and debris on the south end of the property this winter. John Kasunich had developed plans for repairs to the colony in 1983, as well as was the principal in designing the sea wall at the Pajaro Dunes Association during the same time period. Kasunich came highly recommended by most local coastal professionals and I had worked with him during the 1997 storms while a manager at Pajaro Dunes. Our meeting was on October 15th, 2008 at the MDCA Clubhouse and consisted of a site visit, a discussion of different types of barriers, construction restraints due to existing facilities, codes, easements, coastal commission permit criteria and the general permit application process. At the end of the meeting, it was evident that the bureaucratic process would make it very difficult to obtain a permit for any type of semi-permanent barrier protection other than (possibly) something made of natural materials. Any natural barrier selected would have to be placed within the MDCA property lines and on top of the leaching fields that are servicing septic system #9. While in the event of an emergency, most reasonable requests for emergency revetments would be considered by the coastal commission, however, at the end of the emergency, most projects require re-engineering and the work redone, or adjusted to accommodate the guidelines and county and state agencies under non-emergent conditions. This practice usually costs more than twice what the project would have cost had the work been engineered and approved prior to the emergency. As of the date of this report, best estimates for the design of natural barriers, (geo-tubes filled with sand/slurry), could be as much as \$30K, survey and biologist fees aside, as well as materials, equipment and labor. At this point, I do not know what the scope of the work is. We are scheduled to meet with John Kasunich next week to discuss the project. I know the material used for these tubes will be a coarse fabric which holds the sand/slurry in and allows the water to filter in and out. These geo-tubes are filled mechanically and positioned such as to divert run up and debris similar to a sand dune barrier. There are several breaks in these inner dunes formations where water run up can filter back out after the waves breach the foredune area and come in contact with these man-made inner dunes.

On Friday, October 24, David Shonman and I met with Brent Buche, Chief of Operations and Maintenance for the Salinas River, and his Maintenance Superintendent, Richard Nason. The purpose of this meeting was to alert them of our concerns for the southern part of the property in the event that we experience severe winter storms again this winter, and to find out when they planned on opening the river through to the ocean.

During the course of the meeting, we were given an update on the Salinas Valley Water Project, (Proposition 50). We were informed that the National Oceanic and Atmospheric Administration, (NOAA) had added requirements and interjected changes to the project that may have a significant impact on the colony. Without our knowledge or input, NOAA implemented changes (as a condition of obtaining a federal permit) to the county project which included making the Salinas River steelhead trout-accessible. In order to allow steelhead to migrate inland from the ocean, NOAA directed that the river be breached different from the traditional process of breaking it open at the most direct (east-west) route to the ocean. One of the changes to the breaching of the river (starting this winter) is to break a channel in a northwestern direction, towards the colony and then as the river gets close to the ocean, the county will then break the channel westward, into the ocean. This type of breaching will slow the water flow out to the ocean and give the steelhead a chance to swim in/out. The fish will then sit in the (expanded) river mouth lagoon area in brackish water and adjust to the fresh/salt water. The fish would then travel upstream, past the new inflatable dam, (through special fish tunnels), and then on to the spawning beds, or back out to the ocean, (as the case may be). During the course of the meeting, the engineers agreed with our concerns that redirecting, and slowing the flow of the river would reduce the amount of sand that is released into the ocean from the river. The coastline in front of MDCA is protected with this infusion of sand which builds up our beaches and assists in the formation of the sandbar. The engineers also concurred that breaching the river in a north by northwest direction would slow the river probably expanding the size of the lagoon area. Expanding the mouth of the river could cause flooding in the low areas north of the river mouth. This flooding could cause the river to redirect, (as it did in 1983), and possibly flood the pond area near unit 340 and cause the river to then break in front of unit 336-340 out to the ocean. This could potentially undermine the northern leaching field of septic system number 9 located on the property line and well as potentially destroy a significant section of the shoreline.

We have scheduled a meeting with Jacob Martin, a Coastal Biologist with the Department of Fish and Wildlife in charge of administering oversight on the protection of the Western Snowy Plover. David Shonman, George Maciag, Mary Balgooyen and I will meet with him on December 4th. This meeting will include a site visit, (to the river mouth), a follow-on briefing and discussion at the clubhouse. We will also seek clarification of the Biological Opinion on Issuance of Department of the Army Permits to the Monterey County Water Resources Agency for completion of the Salinas Valley Water Project where the Service did not recognize the area in front of the Monterey Dunes Colony as critical habitat for the Snowy Plover.

Upon notification of the newly adopted breaching process, the board sent a letter to Curtis Weeks, General Manager of the Monterey County Water Resources requesting a meeting. Mr. Weeks responded and the meeting is set for Monday, December 1st. David Shonman, George Maciag, Mary Balgooyen and I will attend. The board also sent a letter to Supervisor Calcagno, 3rd District Supervisor for Monterey County expressing our concerns with the changes to the water project. The board offered him a site visit and a briefing on both the Salinas River breaching issue as well as barrier emplacements to protect the homes in the southern part of the colony. The Supervisor accepted and the meeting has been scheduled for Tuesday, December 2d. David Shonman, George Maciag, Mary Balgooyen and I will attend.

I received the final report from Rogers Johnson and Associates. From that report we can compare the changing coastline, (erosional scarp) and lost foredunes especially in the southern area of the property. This study also included beach profiles in elevation that showed grade changes and the repositioning of the sandbar that protects our beaches from breaking wave actions during a storm.

Based on the positioning of 12 property profiles surveyed, as well as timeline photographs from the California Coastal Records Project, we were able to superimpose the property lines on actual aerial photographs. These photographs will be used in determining the best placement for any barrier material we may use to protect the southern portion of the colony from wave run up this winter.

Association management met with Curtis Weeks, GM, Water Resources Agency on 12/1, Supervisor Calcagno 3rd District Supervisor for Monterey County on 12/2, Jacob Martin, lead Biologist with the Department of Fish and Wildlife on 12/4, and Chris Neumann, Lead Biologist with the Point Reyes Bird Observatory on 12/16. In all cases the meetings were positive, but at the same time we noted there was very little information being cross channeled between these organizations, nor could any of these agencies offer us any real assistance on how best to protect the colony while working with them, or the other regulatory agencies. We were also made aware of disagreements between NOAA fisheries, (in charge of the endangered steelhead trout program) and the Department of Fish and Wildlife, (in charge of the endangered Western Snowy Plover program) concerning the proposed taking of Plover habitat in favor of making the Salinas River Steelhead Trout accessible. In each case we made sure each entity knew our issues in regards to protecting our property from the ocean, as well as our concerns of recent NOAA-directed changes in how the County breaches the Salinas River to the ocean.

As part of our efforts to enhance our foredune shore protection, especially in the southern section of the colony, MDCA entered into a 5-year agreement with State Parks and Recreation in the form of a Right of Entry permit. This agreement was filed as a Notice of Exemption with the State Clearinghouse in Sacramento in September 2008 issuing MDCA a Right of Entry on to State owned land to perform shoreline maintenance in the foredunes and out on the beach. This permit is, however, conditional upon getting the Department of Fish and Wildlife, and the California Coastal Commission to concur with this permit.

On 12/5/08 the colony received a written response from Sharif Traylor, (Coastal Commission Enforcement) to David Shonman's response to our alleged Coastal Redevelopment dated 7/31/08. The CCC letter contradicted much of the report David had submitted on behalf of MDCA and carried a negative tone as to the cleanup actions of the colony during the winter storms of 2008. MDCA was directed to submit to Coastal Commission Enforcement a restoration plan, written by a Coastal Biologist, which describes how to return the beach to its pre-driftwood condition. After additional coordinating discussions with the CCC, David responded with a restoration plan that called for no-action concerning the driftwood, letting natural forces disperse and cover the wood as it has in years past. The report also asked for concurrence with the Right of Entry Permit approved by State Parks and Recreation and informed the CCC that the colony was moving forward with other foredune protection initiatives to help protect the homes in the colony without compromising protected habitat. This report was submitted to the CCC on January 9, 2009 and we are currently awaiting a response.

On 1-13-09 the contract with Haro-Kasunich and Associates for "Geotechnical and Coastal Investigation" was signed and sent to the contractor for final review/signature.

On March 4, 2009, management received a letter from the Coastal Commission accepting David Shonman's conclusion that any "restoration" of the foredune area by removing selected driftwood would not be advisable as it could cause unnecessary damage to the foredunes. The Coastal Commission also agreed with David's recommendation to allow natural forces (wave action and wind blown sand) to continue to re-work the driftwood in the foredunes. The Coastal Commission also acknowledged the wave run-up initiatives MDCA is working on and advised that we move these issues over to the planning office for review and permit application.

On February 26, 2009 Coastal Geologists completed preliminary tests on the south end of the property prior to developing a wave run up protection plan for MDCA. The Coastal Commission allowed heavy equipment out on the beach area to dig test holes in order to determine actual beach elevations as opposed to seasonal elevations caused by wind blown sand. There were other tests conducted concerning wave direction and intensity, (based on the height and configuration of the offshore sand bar), as well as actual property surveys to ensure that any wave protection (artificial dunes) are placed on association property. Plans for wave run-up protection will be ready for presentation to the Board of Directors in early April.

On March 4, 2009 the Monterey County Water Resources Agency prepared the river mouth for breaching to the ocean. Due to recent rains, the Arroyo Seco and Salinas Rivers swelled past flood stages and consequently the Salinas River broke through to the ocean on the morning of March 5th. The Resources Agency cut the starter channel for the river in a fashion that caused the river to initially break indirectly to the ocean, however, they did not follow a request from NOAA fisheries to break the river in a way that it would significantly slow the flow of the river to the ocean. Breaking the river in a northern direction, then sharply changing the channels direction west to the ocean could have endangered the south end of the our development in the event the river were to take its own path to the ocean through the pond area. Subsequent to this breaching, management is trying to set up meetings with representatives from NOAA, DFWS, and MCWRA to discuss their plans for the Salinas River and lagoon management over the next few years. Additionally, MDCA management will be discussing alternative methods for

breeching the river with coastal geologists at Haro-Kasunich and Associates.

On March 9, 2009, State Parks and PRBO put up the virtual fence out on the beach. There was very little interaction between the State Parks crews and MDCA as we had not yet received permission to install snow fencing in areas replacing some of the virtual fencing in order to build up the foredunes with blowing sand. Subsequent to the fences being installed, David Shonman was informed by DFWS that they wanted to study the use of snow fences out on the foredunes for another year before approving their placement. Without an appeal process, we will have to wait until the spring of 2010 to install any barriers or fences that catch blowing sand.

On March 26, 2009, association management met with our coastal biologist, David Shonman, NOAA Fisheries biologist William Stevens, and the Monterey County Resources Management Team, (Flood Control) who were responsible for breaching the river to the ocean on March 4th. It was evident throughout our discussion that NOAA Fisheries is intent on breaching the river in a northerly direction, as far as possible towards the colony and then to break it sharply in a westerly direction out to the ocean. This will slow the flow of water to the ocean in order to allow the steelhead trout to acclimate their kidneys to fresh or salt water as they enter or exit the Salinas River. David Shonman pointed out to NOAA that there have been no steelhead sighted in the river for the last 17+ years; however, NOAA countered that there were Steelhead at one time and given the right conditions, they should return. Management proposed to NOAA that if they make a longer channel that they armor the channel with riprap, (developing a sort of causeway), in order to control the flow of water and to protect the dunes and low lying areas, including our exposed septic field #9. NOAA did not respond to our proposal at the meeting, however, we now feel that that they are aware that we are here and that damage to our septic fields could become a reality with any changes to the direction of the river. We hope that with this meeting, NOAA Fisheries will rethink the River Mouth Management Project and take the safety and concerns of the colony into consideration in all future planning for river operations.

David Shonman followed up the meeting by writing a summary of what was discussed. We will send this to William Stevens via email for record.

Tennis Court Repairs

A homeowner reported anomalies to the tennis court surface that were rebuilt in 2005. Small 6-9 inch "bubble-like" raised surface areas have appeared in 7 places on the three replaced courts. After reviewing the photos taken at the time of the construction, it seems that the raised areas could be caused by a leveler material used to fill in low areas. Management met with a representative from the Don Chapin Company, the General Contractor who rebuilt the courts and reviewed the damaged areas. After researching the subcontractor, the general and sub contractor are due on site next week to review the damage and develop a plan for repair to the courts.

MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION

Water Conservation – Oriented Billing

During the February billing period, there were 4 units that exceeded the Tier 1 conservation zone, 3 of which were under the \$5.00 billing limit and not billed. One unit was identified as

being in the Tier 3 billing zone. Unit owners were notified of their monthly and gallon-per-day consumption.

Owners who exceeded Tier 1, or are in Tier 2 or 3 water use zone are billed for their usage in accordance with Association Policy. All homeowners are notified of their monthly and gallon-per-day consumption rates.

OLD BUSINESS

None

NEW BUSINESS

Appoint Nominating Committee

Jim McFeeters and Bill Michaels were appointed by the Board president to be the Nominating Committee for the election of 2009-2010 Board members.

Elkhorn Slough Foundation Membership

The Board M/S/C to renew the MDCA membership in the Elkhorn Slough Foundation at the \$50 contribution level.

WATER COMPANY BUSINESS

Addressed in Manager's Report.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:05 a.m. The next meeting date is May 16, 2009 at 10:00 AM.

FOR THE BOARD OF DIRECTORS:

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Thomas J. Bugary, CMCA, CCAM
General Manager and Secretary

Treasurer's Report January and February

This report covers our fiscal year budget status through February 28, 2009.

Account Balances as of January 31 and February 28, 2009 are:

	<u>Jan</u>	<u>Feb</u>
Union Bank Reserve	\$621,081.40	\$589,133.16
Union Bank Operating	\$ 63,801.37	\$ 57,382.78
Union Bank Investment Acct	\$ 7,966.37	\$ 7,969.42
Community Bank Petty Cash	\$ 795.57	\$ 236.73
Union Bank Water Operating	\$ 24,049.32	\$ 25,770.99
Union Bank Water Reserve	\$ 83,375.10	\$ 84,765.38

Payments to the Capital Replacement Fund (\$16,320.00 per month) are current.

Payments to the Mutual Water Association (\$3,750.00 per month) are current.

Respectfully Submitted,

Mary Jansing Balgooyen

Mary Jansing Balgooyen