

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

November 19, 2016

Present

George Maciag, President
Bill McGowan, Vice President, via telephone
John Steinhart, Treasurer
Art Testani, Director
Todd Davis, Director
Tom Bugary, Secretary and General Manager

Absent

None

WELCOME

George Maciag called the meeting to order at 10:00 a.m. on November 19, 2016 at the Monterey Dunes Colony Clubhouse. As this was the first open board meeting day of the 2016-2017 Board of Directors, George introduced himself and his fellow board directors. George stated that the directors held an organizational meeting immediately prior to this meeting and the following was the result: George will continue to serve as president, John will continue to serve as treasurer, and both Art and Todd will continue to serve as directors. The new board member, Bill McGowan, will serve as vice president.

MINUTES

The Board reviewed the draft minutes of the 9-17-16 Board meeting. It was M/S/C to approve the minutes as presented.

TREASURER REPORT

John Steinhart gave a verbal report for September and October 2016. John noted that the payments to the Capital Reserve Replacement Fund and to the Mutual Water Association were current. Additionally, John stated that all our account balances could be seen in the written report, which has been attached to and made part of these minutes.

FINANCE COMMITTEE REPORT

Ted Adams, committee chair, gave a verbal report. He stated that the Finance Committee had met the previous day to review the Colony's finances for the first four months of the fiscal year (July-Oct). Since it is still early in the fiscal year, all anomalies in budget versus actual expenses can be explained by timing issues. Ted also stated that there was a candidate, Allen Rudolph, unit 232, for the committee and that he recommended the appointment. The Board M/S/C his recommendation.

ENVIRONMENTAL CONTROL COMMITTEE (ECC)

There has been one ECC action made via teleconference since the last Board meeting. The ECC action pertained to a request to install a motion activated courtyard light at unit #328. The committee approved this request with stipulations.

RULES COMMITTEE REPORT

Summary of amended rules and schedule of fines and Board vote

John Steinhart presented a version of rules and schedule of fines that incorporated a lot of the comments that the Board had received over the past several months. After a detailed explanation of the rules by John and after much discussion and some final tweaking, the attached rules were M/S/C by the Board with 4 directors voting in favor and 1 abstaining.

Board vote on marking parking spaces

Tom presented a proposed map of assigned parking spaces at the Colony. It was explained that everyone was to park in the garage first, the unit's numbered parking space (the one closest to their unit when possible), and then, if needed, in a space marked for visitors. The Board M/S/C to approve the map of parking spaces as presented

GENERAL MANAGER'S REPORT

MONTEREY DUNES COLONY ASSOCIATION

This is a cumulative report covering reserve projects and other work as completed in fiscal year 2016-2017, (July 1, 2016 through June 30, 2017).

Windows, Doors, Fences, Roofs, Decks and Skylights

Association staff replaced 19 windows at unit 114. Windows are on order for unit 242. Unit 294 is pending a complete window order/replacement after unit 242 is completed.

The courtyard fence was replaced at unit 166, 294 and 300.

Large skylights were replaced at unit 106 and also at the clubhouse meeting room.

Three roofers returned bids for the reroofing of units 156, 158 and 160. Scudder Roofing, Coastal Roofing and Legacy Roofing bid the project with Coastal Roofing returning the least expensive and most comprehensive bid of \$44,849.00. Management held the initial construction meeting on Tuesday, November 15, 2016 attended by Tom Bugary, MDCA, Kurt Jenson, Principle, Coastal Roofing, Dominic Askew, Justin Pauly Architects, Carl Black, General Contractor/Project Foreman and John Ficarra, Regional Sales Representative for CertainTeed products. We worked through the specification sheet making changes as necessary, clarified any ambiguities in the scope of the project and discussed bulk pricing of the materials. At this point agreed-upon changes were made by the architect and the specification sheet was updated. Coastal Roofing is making adjustments for added work and pricing credits on materials from CertainTeed. Once I receive an adjusted bid from Coastal Roofing, I will set up a site visit with the Contractor and his roofing team, the supplier and project foreman and issue a "Notice to Proceed" to the contractor. The project

is tentatively scheduled to start the end of November and will take about two weeks to complete, adjusting for any weather issues.

Berkleo Roofing is in the process of replacing 9 hot mopped small flat roofs on the property. They have completed units 126, 218, 236 and 228. Carl Black Construction is tearing off and replacing the trellis and the horizontal cantilevered support beams on unit 200 during the reroofing process.

Trellises have been replaced and painted at units 108, 124 and 168.

Unit 188 Oceanside deck is pending replacement and will be scheduled in the near future.

MDCA Staff completed inspections of all roofs for termite damage including garages. Roofs were cleaned of debris which had accumulated from the Monterey Cypress Trees.

Meter Enclosures

Meter Enclosures were replaced at units 234, 236 (garage), 276, 304, 310 (garage), 312, 324, 326, 330 and the guardhouse.

Guard, Concierge and Landscaper

We are still interviewing candidates for the front gate concierge position. I have selected a candidate for the guard position and he has been trained for both the guard and concierge position. The concierge will be physically located at the gate from 2:00PM to 10:30PM 7-days a week to assist homeowners and their guests who enter the property. I have written the initial version of standard operating procedures for the concierge to follow and he/she will report to the guard who will be mobile on the property during the concierges shift. I also intend to hire a replacement landscaper in the near future.

Gate House

The gate house and the front gate was recently upgraded with new paint, floor and lighting.

Painting

Association staff has completed painting the exterior trim on units 110, 112, 138, 140, 152, 154, 182, 186, 236, 238, 240 and 242. During last fiscal year reserve maintenance staff exceeded the budget and painted 25% more surface trim as needed on many of the units. The trim is cedar, which is used because of its resistance to termites, however, the cedar is not holding up as well as some of the harder more rigid wood types. The 2 x 6 trim is being replaced as necessary.

Association staff measured out and striped the parking areas throughout the colony. I only made the spaces 4' in length because I felt it looked better than 10-12 foot stripes. I will be numbering the spaces as directed in the near future.

Gate System Upgrade

The new upgraded gate system has been installed and programmed. The new system is more secure as it is minus gate codes and requires a card or clicker for normal access to the colony. Homeowners are reminded that the gate is monitored 24/7 by the office, guards, or the answering service. Renters and other guests can gain initial access to the colony by dialing 195. The office, guard and the off-site answering service

maintains a guest roster from which to control gate access. Please let the office know when you have guests so we can add them to the access roster. Homeowners should keep track of the serial numbers of their entry cards and clickers as they can be deactivated and replaced if they are lost by visiting guests.

Terminix Maintenance Program Update

Local Treatments Completed

Jul 20, 2016: 318 garage, 236 garage, 124 garage, 296 garage, 328 garage, 160 deck, 334 deck, 118 fences, 296 fences, 118 unit and 296 unit.

November 14, 2016: 196 unit, 246 unit, 216 unit, 140 roof, 106 unit, 148 garage, 222 unit, 282 unit, MDCA clubhouse, 146 garage, 148 garage.

Fumigation

Sept 13-15 2016: 156-158-160 and 300-302-304

Pending Fumigation

No Date Set: 156-158-160 garages and 324-326-328 garages

MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION

Water Conservation – Oriented Billing

During the Sept 2016 billing period, there were 19 units that exceeded the Tier 1 water conservation limit. Three units were under the \$5.00 billing limit. There were 5 units in Tier 2 and 11 units in Tier 3.

During the August 2016 billing period, there were 10 units that exceeded the Tier 1 water conservation limit. Four units were under the \$5.00 billing limit. There were 4 units in Tier 2 and 2 units in Tier 3.

Owners who are in the Tier 2 or 3 water use zones are billed for their usage in accordance with Association Policy.

NEW BUSINESS

Homeowner request for clear definition of Renter vs. Guest

Renter vs Guest

For our purposes, a renter is a transient overnight occupant who pays the owner in the form of monetary or in-kind (e.g. goods or services) compensation. Guests are non-renters (friends and family).

Homeowner request to add 2 additional parking spaces in the unit 102-104-106 cul-de-sac

There was a homeowner request to add two parking spaces along the retaining wall at the end of the access road to the south of unit #102. After discussion, the Board denied this request.

OWNER'S STATEMENTS

There were no additional owner's statements.

WATER COMPANY BUSINESS

Water Conservation reports for September and October 2015

Addressed in Managers Report.

ADJOURNMENT

The meeting was adjourned at 12:20 p.m. The next meeting is scheduled for January 21, 2017 at 10:00 a.m.

Respectfully Submitted

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Thomas J. Bugary CMCA, CCAM
General Manager and Secretary

EXECUTIVE SESSION

A homeowner request to waive an invoice for excess water use was discussed.

Treasurer's Report September and October 2016

This report covers our fiscal year budget status through October 31, 2016.

Account Balances as of September 30, 2016 and October 31, 2016 are:

	<u>Sept</u>	<u>Oct</u>
Total MDCA Reserve Funds	\$3,011,480.15	\$2,972,792.14
+ <i>Comm Assoc Banc (CAB) Reserve</i>	\$ ---	\$ --
+ <i>ICS Reserve (Bank Acct)</i>	\$1,191,990.97	\$1,190,034.36
+ <i>CDARS (CD Due 3/30/17)</i>	\$ 302,850.95	\$ 303,013.04
+ <i>CDARS (CD Due 3/29/18)</i>	\$ 304,720.93	\$ 304,990.20
+ <i>CDARS (CD Due 1/31/19)</i>	\$ 603,688.34	\$ 604,073.00
+ <i>CDARS (CD Due 3/26/20)</i>	\$ 308,217.71	\$ 308,689.25
+ <i>Wealth Mgmt Trust Acct</i>	\$ 11.25	\$ 11.25
+ <i>WM CD (Due 7/7/21)</i>	\$ 150,000.00	\$ 150,000.00
+ <i>WM CD (Due 7/8/21)</i>	\$ 150,000.00	\$ 150,000.00
CAB Operating	\$ 105,652.31	\$ 107,940.56
RABOBANK Petty Cash	\$ 805.78	\$ 982.12
Operating	\$ 19,401.75	\$ 15,896.18
	\$ 118,727.66	\$ 141,389.83
+ <i>CAB Water Reserve</i>	\$ ---	\$ ---
+ <i>ICS Water Reserve (Bank Acct)</i>	\$ 118,727.66	\$ 141,389.83

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,

John Steinhart

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