

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

October 16, 2010

**PRESENT**

George Maciag, President  
Bill Michaels, Vice President  
Jim McFeeters, Treasurer  
Jeff Schwartz, Director  
Ted Swanson, Director  
Tom Bugary, Secretary and General Manager

**ABSENT**

None

**WELCOME**

The combined Annual Meeting of the Monterey Dunes Colony Association and the Monterey Dunes Colony Mutual Water Association was called to order by George Maciag, President, at 10:00 A.M., Saturday, October 16, 2010 at the Monterey Dunes Colony Clubhouse, 195 Monterey Dunes Way, Castroville, CA 95012.

**HOMEOWNER INTRODUCTIONS**

Homeowners present at the meeting introduced themselves.

**APPROVE MINUTES OF THE OCTOBER 17, 2009 ANNUAL MEETING**

It was M/S/C to approve the minutes of the prior annual meeting on October 17, 2009.

**PRESIDENT'S REPORT**

George Maciag reported that the audited FY 2009-2010 operating budget reflected a negative variance of \$36K. George stated that the budget would have had a positive variance of \$20K if not for several unbudgeted expenditures, totaling \$56K, in the coastal project line. George explained that that unbudgeted expenditures were for consulting, (engineering and biologist), various agency's permits and fees, (coastal commission, state and county) and for meeting fees.

George went on to say that there were several major Reserve Projects at the Colony that were nearing completion, however, these projects will be replaced by different phases or other projects

scheduled in the near-term, for example, while the side-wall shingle project is nearing completion, the vinyl window replacement phase and landside boardwalk projects are scheduled to begin. After that, a few years down the road we will again be looking at replacing the shakes on the sloped roofs.

George reported that the FY 2009-10 Water Company Operating Budget reflected a positive variance of \$20K.

During FY 2010-11, the Colony plans on completing the Dunes Wave Run-up Project. Ted Swanson chairs an ad hoc Dunes Wave Run-up Committee which consists of three members; the other two members being Bob Dickinson and Tom Nolan. The committee has researched various forms of barriers to divert wave run-up, such as water-filled vertical barriers, geotubes as well as more permanent structures such as sheet-pile and riprap. Before the 2010 storm season, the Board was considering imposing a special assessment to pay for a \$300K+ project, but the Dunes Wave Run-up Committee has come up with a project that will only cost approximately \$80K. This project will result in a new tractor that will be used to position water-filled barriers and carry sandbags out on the property westward of the houses. George, on behalf of the Colony, thanked the Wave Run-up Committee for all their hard work.

A homeowner present at the meeting asked George if the homeowners will be assessed to pay for the project. George answered that there will not be an assessment and that the funds to pay for the project will be borrowed from our reserve account and paid back over time.

George continues by stating that for years our annual audit report has concluded that we need to increase the percent funded of our reserve account. Beginning in FY 2010-11 we plan on increasing the percent funded of our reserve account to somewhere between 40%-50%. Increasing the reserve account means that the Colony will have funds for future projects, reserve repairs and replacement, and for emergencies. The Finance Committee, chaired by Bob Dickinson, has been tasked and will be making a recommendation on the following:

- 1) What should be the goal in terms of reserve funding levels?
- 2) What would be the best way to get to this funding level based on the Reserve Study and estimated needs of the association, and
- 3) Develop an effective investment policy for association reserve funds.

George announced that the Board is going to conduct a homeowner's survey this fiscal year to determine the current needs and desired services of the membership. The main objective of the survey is to provide direction to management, as well as the Board and its committees. Management will be sending out an email within the next few months asking for volunteers to be on a committee responsible for developing this survey.

A homeowner asked Tom if they needed to take any action when they received a letter from Waste Management asking them to replace their trash containers with Waste Management containers. Tom stated no, all recycling and trash containers for the Colony will stay the same as is. Tom noted that the bins in our recycling area are not designated by unit and all recyclables can be mixed in any of the containers. Waste Management will dump the containers at the landfill and sort through the contents.

George concluded his report with an update on the colony's water holding tank stating that the tank has experienced several leaks over the past year but has been temporarily repaired. He said that we may be making a decision this year to either replace the tank earlier than expected or continue to repair the tank in the short-term.

George thanked the following individuals for all their hard work:

1. Management and staff
2. Today's chefs and kitchen help
3. Committees and committee members
4. Homeowners for placing their trust in the Board and Committees

### **INTRODUCTION OF DIRECTORS, 2010-2011 TERM**

George Maciag announced that the 2010-2011 Board of Directors was voted in by acclamation as there were no other candidates or challenges. The Directors and officers are:

- |                             |                                      |
|-----------------------------|--------------------------------------|
| 1) Ted Swanson - Director   | 4) Bill Michaels – Director          |
| 2) Jeff Schwartz - Director | 5) George Maciag – Director          |
| 3) Jim McFeeters – Director | 6) Tom Bugary – Officer (non-voting) |

### **MEMBER BUSINESS**

#### **IRS Revenue Ruling 70-604**

George read aloud a mandatory IRS Revenue Ruling (70-604) pertaining to the previous and current fiscal years. It was M/S/C to approve the resolution which states that any excess revenue generated by the Association in the current fiscal year is applied to the following fiscal year expenses. This resolution is attached to these minutes for record.

### **ADJOURNMENT**

With no further business, George adjourned the meeting at 10:30 A.M. and announced that the annual homeowner's barbeque will be at 12:00 P.M.

### **ORGANIZATIONAL MEETING**

Following the annual meeting, there was an organizational meeting to elect officers of the Board for the 2010-2011 term. The Directors made the following appointments (same as last year):

George Maciag	President
Bill Michaels	Vice President
Jim McFeeters	Treasurer
Jeff Schwartz	Director

Ted Swanson  
Tom Bugary

Director  
Officer, Secretary

Respectfully Submitted,

*Thomas J Bugary*

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