

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

**January 21, 2017**

**Present**

George Maciag, President  
Bill McGowan, Vice President, via telephone  
John Steinhart, Treasurer  
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 January 21, 2016 at the Monterey Dunes Colony Clubhouse.

**MINUTES**

The Board reviewed the draft minutes of the 11-19-16 Board meeting. It was M/S/C to approve the minutes as presented.

**APPOINTMENT OF DIRECTOR TO FILL VACANT SEAT**

George announced that Art Testani had resigned his position as Director on the Board. The Board appointed Biff Jelavich, homeowner of #194, #210, an #246, to replace Art on the Board for the rest of the 2016-17 year

**TREASURER REPORT**

John Steinhart gave a verbal report for November and December 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 six months of the fiscal year (July-Dec).

**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 pavers in the courtyard of unit #326. The committee approved this request.

### **CC&R AMENDMENT COMMITTEE REPORT**

John Steinhart, Committee Chair, gave a verbal report. He stated that the CC&R committee, consisting of Jeff Schwartz, Frank Williams, Fran Gentry and Bill McGowan, was created to address two issues - 1) multi-unit ownership as a business operation, and 2) the long-term target of limiting rentals to 25% of the total units at the Colony (i.e. 30 out of 120 properties). The committee has had two group meetings by phone and has had dozens of email exchanges since they started their work in December. The committee also solicited feedback from 7 other owners who represent diverse points of view. Although the committee is making its recommendations today, they will continue to stand as an ad hoc committee in the event that the Board encounters issues or problems that they want to refer back to the committee.

On the multi-unit ownership issue, the committee concluded that no amendment is needed, as the current CC&Rs prohibits the operation of a business and they believe that multi-unit owners are operating a business. The committee's recommendation is that the Board enforce the current CC&Rs in the case of multi-unit ownership and offer them a one-year period of transition to conform to this business restriction. **A motion was made that the Board accept the recommendation of the CC&R Amendment Committee to enforce Section 5.6.1 of the CC&Rs regarding the operation of a business by owners of multiple residences and that as the first step the Board seek advice on an enforcement process from the Colony's legal counsel. The Board seconded and approved this motion.**

On the issue pertaining to the number of rentals at the Colony, the committee recommends that short term rentals be capped at 25% of the total units at the Colony (30 units). All current homeowners at the time of the CC&R amendment, as well as the next generation of children (if the home was passed down to them), will be grandfathered - allowed to continue renting - however, until the number of short-term rental units at the Colony falls to 29 units, through attrition, new homeowners will not be allowed to rent their units. **A motion was made that the Board accept the recommendations of the CC&R Committee and, with the assistance of legal council, put together documents explaining the "cap" amendment. This explanation will be sent to all homeowners and a public meeting will be scheduled to answer questions pertaining to the proposed amendment. After aforementioned meeting, the Board of Directors will vote on the final wording of the amendment that will be voted on by all homeowners at the Colony. The Board seconded and approved this motion.**

### **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). It also includes management topics associated with the January 21, 2017 director's meeting.

#### **Windows, Doors, Fences, Roofs, Decks and Skylights**

Association staff replaced 19 windows at unit 114 and is now in the process of replacing 12 windows and 2 sliding glass doors at unit 242. Unit 294 is pending a complete window order/replacement after unit 242 is completed.

Courtyard fences were replaced at units 166, 294 and 300.

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

The sloped reroofing of units 156-158-160 is complete. The work was signed off by our consultant and his final report submitted. The county permits were finalized on 1-13-17 by the building department. The association will receive the written warranty for the building within the next week or so from CertainTeed, the manufacturer of the roofing materials. The cost of the building was \$46,544.00. I have identified units 114-116-118 as next to be reroofed due to leaks in the copper roof flashing on unit 114. I project this building to be reroofed in early spring.

Berkleo Roofing is in the process of replacing 9 hot mopped small flat roofs on the property. They have completed units 126, 236, 264 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 after the owner's contractor replaces Milgard sliding glass doors and windows under warranty.

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.

### **Concierge Position**

We are still interviewing candidates for the front gate concierge position. The position is very difficult to fill because of the needed skill sets, personality, ability to work on their own and computer skills. I am also looking for the person to have some office/bookkeeping skills to assist 1 day a week in the office. I have already hired a person for the combination guard/concierge position and he has been trained for both. 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 work in concert with the guard who will be mobile on the property during most of the concierge's shift. Until the hiring process is completed, I am manning the front gate with a combination of our regular guard and the new hire and substituting staff to fill the guard position on the property.

### **Painting and Weatherproofing**

Association staff has completed painting the exterior trim on units 110, 112, 138, 140, 152, 154, 182, 186, 236, 238, 240, 242, 244, 246 and 294. Unit windows and doors were sealed and caulked at units 160, 174, 176, 188, 212, 214, 216, 296 and 298.

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. All parking spaces are now assigned/marked using a board approved parking scheme.

## **Storm Damage**

The colony sustained considerable damage during this year's winter storms. Several trees went down, 2 courtyard fences were blown over and the colony lost power several times, once for an extended period due to a snapped power pole on Molera Road. The King Tides and large swells in early January caused breaks in the sandbar resulting in a deep scouring of the beach and loss of foredunes, especially in front of units 322, 276 and 222. We have temporarily closed the beach access way in front of units 322 and 324 due to a large drop-off to the beach caused by this erosion. There was little run-up this year and I have not had to deploy the barriers as of this date.

## **Coastal Projects**

Recent heavy rains produced over 15 inches of rain up in the watershed, less but still considerable in the lower elevations. On 1-9-17, Brent Buche, assistant general manager for the Monterey County Water Resources Agency (MCWRA) stated that the agency was prepositioning equipment to break the river under an emergency permit process. This emergency breaching process is approved at the county, however, the California Coastal Commission claims breaching the river without a Coastal Development Permit is illegal. This disagreement has festered for many years between the two agencies and the MCWRA continues to breach the river under emergency conditions before river flows flood the farm lands or endanger the infrastructure of the colony. On 1-10-17, the MCWRA began operations channeling the sand dunes between the lagoon and the ocean. At approximately 9 PM on 1-12-17, (at low tide), the force of the river broke through the lagoon out to the ocean. There was a lot of sand and debris pushed out with the force of the water and the coastal waters of the colony were brown with sand and silt deposits.

There is ongoing dialogue between the Department of Fish and Wildlife Services, (DFWS), NOAA Fisheries, California State Parks and the Coastal Commission concerning the permit process, lack of advance notice and possible "take" of endangered species during the breaching process.

## **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.

December 9, 2016: 312-314-316 garages, 296 unit and garage, 310 garage, 196 unit, 188 garage and 298 unit.

### 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 November 2016 billing period, there were 16 units that exceeded the Tier 1 water conservation limit. Eight units were under the \$5.00 billing limit. There was 1 unit in Tier 2 and 7 units in Tier 3.

During the December 2016 billing period, there were 15 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 7 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 to change parking scheme in his parking area**

It was noted that there have been a few requests to change assigned parking spaces. The Board affirmed their decision to assign parking spaces closest to their respective units if space was available; however, they acknowledged that, in some instances, there were homeowners who did not get an assigned parking spot close to their unit because there simply was not enough spaces. At Tom's request, the Board made it a policy that if two or more neighbors decide to trade parking spots and put it in writing, the spaces will be traded until such time that one of the homeowners no longer owns their unit at Monterey Dunes Colony

### **OWNER'S STATEMENTS**

There were no additional owner's statements.

### **WATER COMPANY BUSINESS**

#### **Water Conservation reports for November and December 2016**

Addressed in Managers Report.

### **ADJOURNMENT**

The meeting was adjourned at 12:20 p.m. The next meeting is scheduled for March 18, 2017 at 10:00 a.m.

Respectfully Submitted,

*//s//*

Thomas J. Bugary CMCA, CCAM  
General Manager and Secretary

**EXECUTIVE SESSION**

A homeowner request to waive an invoice for excess water use was discussed. In addition, a homeowner hearing was held to discuss a violation of association ground rules.

## Treasurer's Report November and December 2016

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

Account Balances as of November 30, 2016 and December 31, 2016 are:

	<u>Nov</u>	<u>Dec</u>
Total MDCA Reserve Funds	\$3,028,505.47	\$3,053,439.89
+ <i>Comm Assoc Banc (CAB) Reserve</i>	\$ ---	\$ 5,000.00
+ <i>ICS Reserve (Bank Acct)</i>	\$1,206,481.48	\$1,222,932.88
+ <i>CDARS (CD Due 3/30/17)</i>	\$ 303,169.97	\$ 303,332.25
+ <i>CDARS (CD Due 3/29/18)</i>	\$ 305,251.00	\$ 305,520.75
+ <i>CDARS (CD Due 1/31/19)</i>	\$ 604,445.50	\$ 604,830.65
+ <i>CDARS (CD Due 3/26/20)</i>	\$ 309,146.27	\$ 309,619.23
+ <i>Wealth Mgmt Trust Acct</i>	\$ 11.25	\$ 2,204.13
+ <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	\$ 84,040.08	\$ 29,869.62
RABOBANK Petty Cash	\$ 1,371.07	\$ 752.52
CAB Water Operating	\$ 17,541.58	\$ 19,187.01
Reserve Funds	\$ 142,727.45	\$ 144,065.45
+ <i>CAB Water Reserve</i>	\$ ---	\$ ---
+ <i>ICS Water Reserve (Bank Acct)</i>	\$ 142,727.45	\$ 144,065.45
		Total Water

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*

John Steinhart