

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

November 17, 2012

**PRESENT**

Frank Williams, President  
Bill Michaels, Vice President  
Ted Swanson, Treasurer  
Bob Dickinson, Director  
Jeff Schwartz, Director  
Tom Bugary, Secretary and General Manager

**ABSENT**

None

**WELCOME**

Frank Williams, Board President, called the meeting of the board to order at 10:00 AM, November 17, 2012 at the Monterey Dunes Colony Clubhouse. Frank announced that he was serving as Board President this FY and was succeeding Bill Michaels, whom he thanked for being a dedicated and conscientious president. Four of the five FY 2010-11 board members are currently serving on the FY 2011-12 board and Frank thanked the outgoing board member, George Maciag for his level-headed and concerned approach.

**MINUTES**

The Board reviewed the amended draft minutes of the September 15, 2012 directors meeting and the October 20, 2012 annual meeting. It was M/S/C to approve both minutes as written.

**TREASURER'S REPORT**

Ted Swanson, Treasurer, gave the Treasurer's Report for September and October 2012. Ted noted that the payments to the Capital Reserve Replacement Fund and to the Mutual Water Association were current. Additionally, Ted stated that all of our account balances could be seen in the written report, which has been attached to and made part of these minutes.

**FINANCE COMMITTEE REPORT**

Bob Dickinson gave a report that the committee had met the previous day to review the finances of the colony and the water company for the fiscal year to-date. Before talking about the

finances, Bob reported that Frank had submitted his resignation to the committee since he is now the board president. Bob thanked Frank for his work on the committee and recommended that Donna Briskin, unit #206, replace Frank on the committee; the board M/S/C this recommendation.

Regarding the finances, both the colony and the water company are pretty much on track to complete the year at or close to budgeted amounts. However, Bob pointed out that the colony is spending money on an unbudgeted archiving project. In addition, the water company has had unforeseen expenses due to fire pump repairs.

The committee looked at a life-of-projects list. Projects on this list are expected to last as long as the colony lasts and not need replacement; however, some of them are subject to catastrophic risks and we will be looking at ways of mitigating these risks at future committee meetings.

In closing, Bob reported that the hardware and software for the archiving project had been purchased. In addition, a part-time temporary employee had been hired to scan documents into the archiving system.

#### **AD HOC WAVE RUN-UP COMMITTEE**

Ted Swanson, committee chair, gave a brief summary about the committee's purpose, their progress thus far, and what they would like to accomplish in the future. In addition, he reported that the committee had wanted to conduct a test of the wave run-up barriers by placing the barriers out on the beach at low tide and observing the waves as they hit the barriers as the tide came in. With this test we had hoped to determine their movement, connector strength, floatation or buoyancy, back-wash, scouring, tilt-twist, and resistance. Unfortunately, the Coastal Commission didn't agree that this would be a simple test and will require the colony to apply for a Coastal Development Permit (CDP). Since we do not have enough time to obtain a CDP during this storm season, we are now in the process of submitting an application to obtain a CDP to conduct the test in the 2013-14 winter season.

#### **AD HOC POSTAL ADDRESS CHANGE COMMITTEE REPORT**

As reported at the last board meeting, Ted Swanson and Don Tenenbaum (the Committee) wrote a letter to the District Director in charge of asset allocation in Monterey, Santa Cruz, and Santa Clara counties asking him what are the necessary steps to change addresses from Castroville to Moss Landing. The Director responded to the letter by letting us know that he has turned the matter over to an address management system (AMS). Ted responded, by letter, and asked if the AMS had made any progress; he has not heard back from them yet.

#### **GENERAL MANAGER'S REPORT**

#### **MONTEREY DUNES COLONY ASSOCIATION**

This report covers work completed from July 1, 2012 to date.

### **Fences and Sidewall Shingle Replacement**

Unit courtyard fences completed all or in part this fiscal year are at units 120, 148, 150, 250, 312, and 324, as well as 2 trash enclosures.

Shingles were replaced in the courtyard area of unit 236 and north facing wall of unit 286. These remaining smaller areas are pick-up work from the completed shingle project funded up until this fiscal year.

### **Skylights**

The Association replaced 4 roof skylights at unit 246.

### **Landside Boardwalk Replacement**

Landside boardwalks have been replaced near units 148, 150, 152, 154, 156, 218, 220, 224, 232, 234, 250, 252, 256 and 258. Boardwalk is replaced as determined necessary and in many cases, ahead of the current reserve schedule.

### **Window and Entry Door Replacement**

Association Carpenters are completing 15 window replacements at unit 236. Two other window projects are pending at unit 310 and 324.

### **Coastal Projects**

#### **From last report:**

*Ted Swanson, Tom Bugary and David Shonman met with State Parks Representatives on July 26 at the colony clubhouse. This meeting was followed by a site tour of the south end of the property. At this meeting the history of the Right of Access Permit between the colony and State Parks was reviewed and the possible models for future agreements between us discussed. State Parks Supervisor Steve Bachman highly recommended an MOU (Memorandum of Understanding) format in lieu of a permit because an MOU is a long-term agreement that doesn't expire unless the parties want it to, versus the permit that is usually for a specific amount of time. The parties also discussed the content of the MOU as a starting point for the draft version David Shonman is preparing and will circulate.*

*During the development of the MOU, a distinct non-evasive plan had to be detailed on how we would access the beach area bringing in replacement sand in the off season. Plans ranged from heavy equipment entering the beach via the river mouth area, to hand-carts carrying sand out to the beach via existing boardwalk. The consensus was the simpler the plan, the easier to get it past the Coastal Commission, County Coastal Developers and State Parks concurrence. Management came up with a specialized 4 wheel hand-truck designed to carry heavy loads but with little stress on the part of the operator. These trucks could be loaded with a back hoe at the sand storage area and carted to the beach via boardwalks and once on the beach rolled on 8 foot sections of plywood to the fill site. This method is the current proposal and if approved, should be the model for any future repairs to the foredunes we may be faced with.*

Salinas River Lagoon Working Group met on October 23, 2012 at 9:00 AM at the MDCA Clubhouse followed by a site-visit at the river mouth-lagoon area. Members present were from Monterey County Water Resources Agency, California State Parks, Department of Fish and Wildlife, NOAA Fisheries, Local AG groups, Homeowners, and a representative from (TNC) The Nature Conservancy. The main focus of the group was to determine the path for breaching the river this year and coordinating the mechanical portion of the breach with the different agencies. The Water Resources Agency plans to breach the river prior to flooding the AG fields even without the consent of the California Coastal Commission.

On October 8, 2012 the draft Memorandum of Understanding between the Colony and our neighbor, California State Parks was sent to Steve Bachman, Senior Environmental Scientist, (State Parks), for review and comment. Since then, there have been several minor changes to the content of the agreement with most of the core content remaining intact.

On October 29, 2012 David Shonman sent a proposal to State Parks requesting to test our wave run-up barriers out on the beach. After reviewing the test project, State Parks required MDCA to seek comment/approval from the California Coastal Commission. After several email exchanges with the Coastal Commission, their position was while we could do the test, it would require a Coastal Development Permit, (CDP). We have postponed the test until next winter as there isn't enough time this year to obtain the coastal permits.

### **Monterey County Health Department Inspection**

On October 17<sup>th</sup> the Association received an impromptu inspection of our facilities by the County Health Department. There were no issues noted.

### **Combination Locks at Clubhouse**

Management is researching different combination lock systems to install on the clubhouse to allow members greater access to the clubhouse. While the policy of locking the clubhouse in the evenings and on weekends has been a practice for over 15 years due to vandalism, we have had at least one suggestion that we find ways of keeping it open or with greater access to the homeowners. Current policy allows homeowners to call the duty person, or guard and have them come and unlock the door when the homeowner wishes to have access. The downside of installing a combination locking system is that the equipment would have to be stainless and therefore expensive. In addition, most homeowners would still call the duty person for the combination. ***The Board declined to act on this issue, for lack of a motion.***

### **Tennis Court Reconfiguration to Accommodate Mini Golf Driving Net**

Management is in the process of replacing the old golf driving net and frame normally located between the Bocce Ball Court and the multi-use court. One of the issues with having the driving range located between the two courts is that it seems too cramped especially with people playing on the multi-use court.

The current court is not used due to its poor surface, which would cost an estimated \$25-30,000. The instances of it being needed for tennis are very few. We are looking at a few different configurations that would better fit the unused tennis court area. We are also looking at inexpensive repair products for the cracks in the asphalt and a larger net area for hitting the golf ball off of the T or off a grass area. There is \$1,214 in the mini driving range equipment line for the replacement of this net. Moving the location of this facility is a board action item under old business.

*The board M/S/C that the mini golf driving net be moved to the unused tennis court area.*

### **Water Tank Update**

I am now working on preparations for repairing the 212,000 gallon water storage tank in the May-June-July 2013 timeframe. There are 5 stages we need to go through in order to accomplish the repair.

1. Obtain the necessary Permits
2. Plumbing in (a) temporary Water Tank(s)
3. Repair and Paint the interior of the Tank and Prepare it for the Liner
4. Install the Liner
5. Re-plumb the System back to its original configuration.

### **Chimney Inspections/Cleaning 2012**

Cypress Sweeps has completed inspections and cleaning of 85 of the 119 fireplace systems. 4 of these were red-tagged and only 2 remain unserviceable, one system in the process of being replaced and the other covered and not used.

### **MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION**

#### **Water Conservation – Oriented Billing**

During the September billing period, there were 14 units that exceeded the Tier 1 water conservation zone, 7 were under the \$5.00 billing limit and therefore not billed. 6 units were in Tier 2 and 1 unit in Tier 3.

During the October billing period, there were 5 units that exceeded the Tier 1 conservation zone. 1 was under the \$5.00 billing limit and therefore not billed. 1 unit was in Tier 2 and 3 were in Tier 3.

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.

### **OLD BUSINESS**

#### **Appoint Ad Hoc Conflict Resolution Committee Chair and Members**

Due to the resignation of George Maciag (committee chair) from the conflict resolution committee, appointments to the committee are incomplete. The three committee members identified earlier are John Steinhart, Bob Dickinson, and Tom Nolan; however, John Steinhart had not officially accepted the appointment as of the date of the Board Meeting. Therefore, the appointment of committee members and chair was tabled until the next board meeting on January 19, 2013.

### **Ad Hoc Website Committee Report**

At the last meeting, it was requested that Harley McAdams, the committee chair, be present at this meeting to answer questions. Unfortunately, Harley could not be at the meeting and the alternate he suggested, John Steinhart, could not attend today's meeting either. Therefore, the website committee report was tabled until the next board meeting on January 19, 2013.

### **Method of Memorializing Recently Deceased MDCA Homeowners**

Ted Swanson began the discussion by stating that he felt it was important to recognize John Magee Jr., a recently deceased homeowner of #152. After discussion it was M/S/C that the Association donate \$100 to the Elkhorn Slough Foundation in the name of John Magee Jr. It was noted that not all deceased homeowners would be recognized in this way; however, the board felt that John was a significant part of the colony in that he was the first board president, a member of the original development team that built the colony, and a long-time finance committee member.

### **NEW BUSINESS**

#### **Appoint Environmental Control Committee (ECC) Chair and Members**

In lieu of the fact that Ellen Michaels has resigned her position as ECC chair, it was M/S/C to appointed Jeff Schwartz unit #326 as the new chair and Allen Rudolph, unit #232, as a new committee member. Frank thanked Ellen for her significant and many contributions to the Colony.

#### **Appoint ad hoc Survey Analysis and Recommendation Committee Chair**

This is a short-term committee whose purpose is to evaluate the results of the recent homeowner survey, identify issues and make recommendations to resolve any identified issues or problems. The Board M/S/C to appoint John Steinhart as the chair of this committee.

#### **California Legislative Action Committee (CLAC) Request for Monetary Support**

This is the Legislative Action Committee of the Executive Council of Homeowners (ECHO) and the Community Associations Institute (CAI) that works to directly support the 40,000+ homeowner associations in California. In the past, the association has contributed a buck-a-door (\$120) on an annual basis. The board M/S/C to contribute a buck-a-door to the CLAC.

**Recommendation to Establish Record Retention Policy**

Tom presented a draft Records Retention Policy to the board. After discussion, the board agreed that the directors would review this policy and finalize the policy at the next board meeting on January 19, 2013.

**OWNER'S STATEMENTS**

None

**WATER COMPANY BUSINESS**

Addressed in the Managers Report.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:45 a.m. The next Board meeting will be on January 19, 2013 at 10:00 a.m.

**EXECUTIVE SESSION**

Two topics of discussion were personnel issues and a request for an excess water use waiver.

FOR THE BOARD OF DIRECTORS:

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

## Treasurer's Report September and October 2012

This report covers our fiscal year budget status through October 31, 2012.

Account Balances as of September 30 and October 31, 2012 are:

	<u>Sept</u>	<u>Oct</u>
Comm Assoc Banc (CAB) Reserve	\$ --	\$ ---
ICS Reserve (CDARS Acct)	\$ 655,105.32	\$ 652,703.51
MDCA Cash held by Water Co.	\$ 600,000.00	\$ 600,000.00
CDARS (CD Placement)	\$ 503,702.59	\$ 503,830.94
CAB Operating	\$ 119,072.54	\$ 110,053.73
RABOBANK Petty Cash	\$ 835.29	\$ 916.28
CAB Water Operating	\$ 13,845.46	\$ 4,892.90
CAB Water Reserve	\$ ---	\$ ---
ICS Water Reserve (CDARS Acct)	\$ 716,546.12	\$ 717,993.98

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,

*Ted Swanson*

Ted Swanson