

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

May 19, 2019

PRESENT

Bill McGowan, President
Todd Davis, Vice President,
Rick Crowley, Treasurer
Allen Rudolph, Director
Todd Davis, Director
Tom Bugary, Secretary, via telephone

ABSENT

Biff Jelavich

WELCOME

Bill McGowan called the meeting to order at 10:00 a.m. on May 18, 2019 at the Monterey Dunes Colony Clubhouse.

MINUTES

The Board reviewed the draft minutes of the 3-16-19 Board meeting. It was M/S/C to approve the minutes as presented.

TREASURER REPORT

Rick Crowley gave a verbal report for March and April 2019. Rick noted that the payments to the Capital Reserve Replacement Fund and to the Mutual Water Association were current. Additionally, Rick stated that all our CD and bank account balances and interest rates could be seen in the written report, which has been attached to and made part of these minutes.

FINANCE COMMITTEE REPORT

Rick Crowley, 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 10 months of the fiscal year (July-Oct). After review of the finances, Rick stated that we are slightly ahead in the operating budget versus budget. On the reserve side, we're going to be over-budget due to the asphalt project which has been discussed in past meetings. We anticipate that the Water Company will be over-budget at the end of the fiscal year due to the installation of a new logic controller and panel and three flow meters for the water system. Additionally, we have been contracting with Carmel Lahaina since Ed's departure for the testing and operation of the water system.

ENVIRONMENTAL CONTROL COMMITTEE (ECC)

Fran Gentry, committee chair, reported that the committee had met via teleconference on April 8, 2019, and the following actions were taken:

- Unit #300 had requested an extensive unit remodel, the committee felt that they needed further info and have set up a meeting with the homeowner and architect following today's board meeting.
- Unit #178 requested to add a skylight over a newly designed master bathroom. This request was approved with stipulations.
- Unit #294 requested to add a skylight over a newly designed hall bathroom. This request was approved with stipulations.

AD HOC CLUBHOUSE UPGRADE COMMITTEE

Karen Matteis, Clubhouse Upgrade Committee Chair, submitted a written report which is attached to, and made part of, these minutes. Karen could not be at the meeting in person, however, she was present via telephone. Bill read her report out loud. There was discussion among the audience present that focused mainly on the wheel. There were a few homeowners who vocalized that they would like to keep the wheel and that maybe we should buy a Monterey Dunes Colony boat to utilize the wheel. The board agreed that they would like to get input from all homeowners and not just the ones in the audience, so they will not be making any decisions until the next board meeting on July 20, 2019. The board thanked the committee for working to develop some concrete recommendations for the clubhouse remodel.

AD HOC HIGH SPEED INTERNET COMMITTEE REPORT

At this time, there is no report from the High-Speed Internet Committee so the report will be tabled until the following meeting on July 20, 2019.

APPOINT NOMINATING COMMITTEE CHAIR

After discussion, the Board M/S/C to appoint Bill Michaels as the Nominating Committee Chair. Bill stated that the other two members on his committee will be Jim McFeeters and George Maciag. Bill also stated that if you wish to be considered for nomination or if you wish to self-nominate, please contact him by 7/6/19 via email at Bill.Michaels.0123@gmail.com or let the office know of your interest.

Bill also announced that the association will be sending a letter to the homeowners informing them of all the various committees we have, encouraging them to volunteer when there are openings on the committees that are active.

GENERAL MANAGER'S REPORT

MONTEREY DUNES COLONY ASSOCIATION

This is a cumulative report covering reserve projects and other work as completed in fiscal year 2018-2019, (July 1, 2018 through June 30, 2019). It also includes management topics associated with the May 18, 2019 director's meeting.

Windows, Doors, Fences, Roofs, Decks, Garage Doors and Skylights

The reroofing of residential units (330, 332, 334), (282, 284, 286), (276, 278, 280) were completed. Garage units (330, 332, 334), (276, 278, 280) and (282, 284 and 286) were also completed, permits finalized and warranties issues.

I have asked Coastal Roofing to bid on the next set of residential buildings and garages to be reroofed in the new fiscal year, (July 1, 2019 - June 30, 2020). If their cost per square foot is close to the previous year, I plan on giving them the project based on low cost and past performance.

Coastal Roofing inspected all the sloped roof skylights and based on that report, we will replace approximately 20 skylights prior to the end of the fiscal year. Affected homeowners will be notified and scheduled for these replacement skylights.

Buildings on the schedule for reroofing in the 2019-2020 budget year are residential units; (336, 338, 340), (318, 320, 322), (168 and 170) and associated garage buildings.

Due to severe leaks and structural damage at unit 124, we had to replace the flat, built-up roof for that unit out-of-cycle.

Four domed flat roof skylights were replaced at unit 304 and 1 at unit 124.

Association staff has replaced 17 windows/sliding glass doors at unit 122 and 15 windows/sliding glass doors at unit 294. Association staff installed 4 oceanside windows at unit 320 and all 4 of these new windows leaked during heavy rains this winter. Milgard has come out and made various attempts to seal the windows with limited success. I asked the Milgard regional representative to visit the jobsite site and inspect the windows. They have since agreed to replace the windows and pay for tear out and replacement. These windows are due in the first week of June.

Light poles were replaced, (out-of-cycle) near units 270 and 294.

Burned ocean side deck stairs and boardwalk were replaced at unit 204.

Association staff replaced the landside bedroom deck and electric meter enclosure at unit 208.

The upper and lower oceanside decks at unit 206 were resurfaced with Trex material.

Association staff resurfaced the entry deck at unit 118 using Trex material.

During the course of recent building inspections, units 202 and 204 were identified as having failing trellises in their courtyards. The main trellis beams are cantilevered into the flat roof system. The roof is sound and is not scheduled for replacement until fiscal year 2030, however, it will have to be “peeled” back to expose the cantilevered beams for replacement and then “mopped” back into place. This roof repair will be an out-of-cycle expense to be completed as weather permits.

Garage doors were replaced at units 104 and 222.

Association staff replaced chimney chase covers at units 298 and 194.

The courtyard fence between units 338 and 340 was replaced.

Unit 304 is pending a garage pedestrian door replacement as a CTO, (charge to owner). This replacement will be scheduled when staff has time available for this service.

The entryway trellis was replaced at unit 322.

Landscaping / Storm Cleanup

Central Coast Tree and Timber removed a Monterey Cypress near unit 182.

Several windblown and damaged cypress trees were cleared and hauled away due to high winds and heavy rains. As a safety precaution, trees were trimmed back from the houses and garages.

Association staff installed drainage and cover near the mailbox structure serving units 162-176, And near unit 330

Central Coast Tree Service is schedule to be at the colony the week of May 20 through 24, 2019 to complete the cleanup of the upper areas of the Monterey Cypress throughout the colony. They will either be working off of a bucket truck or with climbers to reach the upper levels of the trees to remove broken and dead branches.

Association Staff has completed trimming the boardwalk areas throughout the colony and removed the wind-blown sand off the boardwalks.

Painting

Association staff has painted the trim on units 318-320-322, 330-332 and 334. They are currently working on units 108-110 and 112

Trex Boardwalk Replacement

Certain sections of the 1st and 3rd generation Trex boardwalk are starting to warp and separate from the runners. In these cases where the Trex is close to 20 years in service, we replace those sections with a new generation Trex material. Boardwalk was replaced on the oceanside of 294, 296 and 298.

Drainage Field, Chip Seal and Asphalt Repair

We have completed the installation of a drainage field and new curb system near the guardhouse. The asphalt repair is complete and the chip seal is complete and swept 5 times. The centerline buttons have been installed and parking spaces remarked.

This winter, there are places throughout the colony where imperfections have surfaced up through the new chip seal. I met with the lead foreman at the Don Chapin Company on April 25, 2019 and addressed these warranty issues. The Chapin crew arrived on site on May 2 and ground down some of the high spots on the roads to improve drainage, replaced some asphalt that could not be re-sloped by grinding and built up some of the lower areas. They will return to feather in these areas with chip seal after the new asphalt has cured.

Tennis Court Repair and Resurfacing

Vintage Contractors resurfaced the tennis courts and the multi-sport court area on the week of April 8 through 12. In addition to the existing striping, we added striping for two “pickle ball” courts and purchased paddles, balls and nets for this sport. This equipment is available to homeowners at the colony office.

Website Upgrade

We selected an independent web designer named Vincent Norris with Norris Portfolio. The building of the website is now in progress with the basic platform complete and Vincent is now working on the functionality of the site. The site is estimated to cost approximately \$7K when completed.

Increased Septic Maintenance

At the recommendation of our septic maintenance company, I increased the septic maintenance, (pumping and inspection) from once a year to twice a year for systems #1 and #2, (June and February). These two systems have increased matting to the point that crews are having difficulty breaking the matte and removing the solids. This will be an added cost to the septic budget line.

Coastal Projects

From last report:

Association staff will be removing the barriers from the southern end of the property the week of March 18-22.

On 3-14-19 I received the following update from Mark Foxx, coastal engineer with Haro-Kasunich and Associates:

“We are still working on the coastal erosion analysis. We have struggled with imprecision and inaccuracy in the historical Rogers E. Johnson and Associates data; some of which was caused by the lower level technology employed in their field mapping, some resulting from the scale distortion inherent in reproduction of the paper records of their work, and some due to mismatched data when their maps and cross sections are compared (each indicating different erosion scarp positions) perhaps from historical drafting errors. We have now finished rectifying these variances in the data to the best of our ability.

The good news is that using all the data from more than ten different data sets from 1970 to 2017 we are finding that there is extreme seasonal beach scour and there is substantial recovery between each historical erosive event. Thus we are not finding high rates of long term beach recession toward the buildings. Rather, we are finding periodic events that cause large (in some cases very large and deep) amounts of recession. The short term rates of recession are very high; then accretion of windblown sand (recovery) occurs that compensates for large parts of the recession event that just previously occurred. We are now working on preparing the graphics that document the time sequential changes in cross sectional views.

We have observed significant historic dune building along portions of the property, and will be doing calculations and preparing graphics and tables regarding the volumetric growth of these dunes. As we have discussed before, this process is very beneficial (thus the benefits of the historical dune fencing that is now prohibited in order to preserve the birds) in helping protect the buildings. Although sand is highly erodible, having for example a 50% greater volume of it requires the ocean energy to erode 50% more of it to achieve the same amount of beach recession toward the buildings.

Thank you for your patience. We hope to have all of our analysis completed and a draft report with graphics completed in 4 to 6 weeks.”

On May 10, 2019 I received this progress report from Mar Foxx, one of the engineers working on our mapping project:

“We are close, but not quite there. We have finished the technical analysis and are finishing the graphics and writing the report. Here is a progress report on what we have found so far.

The Rogers Johnson and Associates data had problems with imprecision and inaccuracy which was very vexing to analyze. For example, the bluff edge positions they mapped on their maps did not mathematically match the positions depicted on their cross sections. The technology they were using has been eclipsed in

more recent years by much more accurate mapping methods, especially LIDAR (Light Detection and Ranging) which is a remote sensing method that uses light in the form of a pulsed laser to measure ranges (variable distances) to the Earth.

We have utilized stereoscopic aerial photography to map the bluff edge position at various dates ranging from 1970 to 2017 on the rectified aerial orthophoto that was provided from the 2017 survey and another photo that was obtained from the Moss Landing Marine Lab folks. Attached is a 5-sheet set of rectified aerial orthophotomaps showing the bluff edge positions at selected dates from 1970 to 2017 throughout Monterey Dunes Colony. It shows how the bluff edge (dune edge) position has eroded and accreted in the 47-year period between 1970 and 2017.

We have obtained that data from various years and processed it to create topographic surfaces at Monterey Dunes Colony, then have prepared ground surface profiles (cross sections) from the buildings to the ocean for each date the LIDAR data was obtained. We have overlaid those LIDAR based profiles with profiles prepared from the 1970 and 2017 topographic maps that were prepared using photogrammetric techniques. We are now preparing the graphics showing the comparative profiles. We are also preparing graphs showing three things for each of the 12 cross sections we analyzed: 1) Bluff edge position shown on aerial orthophoto; 2) Bluff edge positions shown at an identical elevation on the bluff face on cross sections prepared from LIDAR data and from topographic mapping; 3) Our calculations of the comparative volume of sand per lineal foot within a similar segment of each time-sequential cross section. NOTE: When we say bluff edge, that includes sharp edged erosional scarps, rounded eroded dune edges (where the dune crest changes slope to become the seaward dune face) which may have formed from either erosion or accretion of dune sand. We have tried to filter out smaller beach berm scarps that are indicative of very short term beach scour rather than bigger scale erosion or accretion of the overall beach and dune profile.

There is a lot of data; because of that I am trying to first write an Executive Summary of our findings with selected Graphics, including the attached maps and graphics illustrating the three elements noted in the paragraph above. The changes have been dramatic over the years, both with regard to erosion and accretion. Dune heights have changed dramatically. In some areas, although the bluff edge position is closer to the homes, the volume of sand in the dunes that provide some protection to the homes has increased dramatically during the study period. This condition is mostly at the up-coast end of the development. In other areas, primarily at the down-coast end of the development (close to the Salinas River) there has been significant erosion during the study period.

It is clear that individual storm seasons can cause substantial significant erosion and bluff edge recession. The greatest risk at Monterey Dunes Colony appears to be related to the possibility of back to back successive storm seasons that could cause substantial significant additive erosion and bluff edge recession. It does not appear that imminent danger exists to the degree that would support a determination by the California Coastal Commission that a coastal protection structure (seawall) is warranted at this time.

I am sure that there will be a lot of questions. I will forward you the Executive Summary of our findings with selected finalized Graphics as soon as is finished, which should be this month. Thank you for your patience.”

DURT (Dunes Restoration Team)

The dunes restoration group has been working for several weeks on getting rid of invasive plants and weeds here at the colony. Angela Macfarlane is going to give a brief update on the teams work later on in the meeting.

Drywood Termite Maintenance Program Update

Residential Unit Local Treatments: (Wheeler Termite Company)

8-7-18	Units 148, 184, 318
10-16-18	Units 222, 162, 118, 334
10-24-18	Unit 118
11-14-18	Unit 152, (Decks)
11-14-18	Unit 176
12-19-18	Unit 210
1-9-19	Unit 296
2-27-19	Unit 242
4-9-19	Unit 260
Scheduled	Unit 318 5-22-19
Scheduled	Unit 212 5-22-19

Garage Local Treatments: (Wheeler Termite Company)

8-7-18	Units 126, 148, 308
12-6-18	Unit 212

Garage Fumigations: (Wheeler Termite Company)

9-13-18	Units 126, 128, 130
9-13-18	Units 132, 134, 136
9-13-18	Units 138, 140, 142
9-15-18	Units 184, 186, 188
9-15-18	Units 190, 192, 194
9-15-18	Units 318, 320, 322
11-7-18	Units 114, 116, 118
2-12-19	Units 202, 204, 206, 208.

Residential Fumigations: (Wheeler Termite Company)

5-7-19	Units 144, 146, 148
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MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION

Water Conservation Billing

During the March 2019 billing period, there were 7 units that exceeded the Tier 1 water conservation limit. One unit was under the \$5.00 billing limit. There were no units in Tier 2 and 6 units in Tier 3.

During the April 2019 billing period, there were 14 units that exceeded the Tier 1 water conservation limit. Seven units were under the \$5.00 billing limit. There was 1 unit in Tier 2 and 6 unit 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.

Review of Waste Water Operating Permit

I received a notice from the California Central Coast Regional Water Quality Control Board that they were reviewing our current Waste Discharge Requirement Order (No. 87-175) for possible inclusion in the 2014 General Waste Water Discharge Requirements Order for small domestic water systems, (Order WQ2014-0153-DWQ). As best I can tell there is little upside for the association in this review. If included in this general order, the association will incur additional costs and fees with little change to inspection criteria and reporting. As of this date, the WQCB has not made a determination on our water system.

Changes to Water System Management

With the departure of Ed Downie, I have turned control of all water system operations over to a company called Carmel Lahaina Utility Services. They have water distribution system operators on staff with the necessary licenses to test and operate the system. The association will continue the maintenance side of the water company in the hopes of keeping the cost of water production as low as possible.

TESCO Controls completed the installation of the new Programmable Logic Controller and electrical panel controls. This project took two days of wiring and programming and was a success. The system has been on line since the evening of Thursday May 9th without issue.

Castroville plumbing and association staff replaced the spindles and flowmeters at both wellheads. These new meters will properly track water acquisition and aid in our current water audit. This expense was an unbudgeted requirement of approximately \$11K.

OLD BUSINESS

PROPOSED RULE CHANGE TO ALLOW TODDLERS/INFANTS UNDER TWO YEARS OF AGE TO BE EXCLUDED FROM OCCUPANCY COUNT

Bill said that he has received more comments regarding this rule change than he has on most other issues. After discussing the various comments he received, At the conclusion of the discussion, Bill said that the board had three options: 1) Vote in favor of the rule change; 2) Vote against the rule change; and, 3) Do not vote and leave the occupancy policy as is. The board elected not to vote; therefore, the motion for a occupancy rule change is dead.

NEW BUSINESS

PARKING RULES

Bill noted that certain homeowners have approached him on whether the parking rules apply to them or are they just for renters. Bill responds to those homeowners that “no, the parking rules don’t apply to you, they apply to your car.” In other words, whether you are a renter, non-renter, visitor, or significant other, the same parking rules apply because the parking rules are for cars that are parked on the colony property regardless of who the car’s owner is. The parking rules state that you park in 1) your garage; 2) your parking space; and, 3) if both your garage and parking space are parked in, you can utilize a guest spot. It was noted that if you are not eligible to park in a guest spot, you may park your vehicle in overflow parking, which is parking by the office. Bill said that he would be sending out a letter to homeowners within a few weeks reiterating the parking rules.

At the end of the discussion, it was also noted that management cannot enforce parking violations unless we are notified by those persons seeing the violation.

UPDATE EVCS POLICY TO CONFORM WITH CIVIL CODE 4745 AND 4745.1

Our current Electric Vehicle Charging Station policy does not conform with civil code. To conform with civil code, the policy must address Time-of-Use (TOU) definition and requires proof of insurance be provided on an annual basis. The Board M/S/C to approve the policy update.

OWNER'S STATEMENTS

UPDATE ON ED DOWNIE

A homeowner asked if we had replaced Ed Downie yet. Bill responded that Tom had interviewed a few people and had the job posted on several relevant sites.

Another homeowner wanted to say thank you to Beth Meurer, #170, for starting a Go-Fund Me campaign to send Ed off with a nice going-away gift and show of appreciation. Bill stated that there were some homeowners who chose to give Ed a check rather than contributing to the Go-Fund Me site because the site takes 10% of your donation.

UPDATE ON SPRING LANDSCAPING

Angela Macfarlane, #244, in conjunction with Joey Dorrell Canepa, Dunes Biologist, is spear-heading a newly formed volunteer committee – DURT (Dunes Restoration Team). DURT was established to preserve and enhance the unique, diverse and essential functions of the dunes. In addition to being aesthetically pleasing, the native dune plants provide a barrier function against wind and waves and are extremely important to our eco system. Therefore, it is very important to pull the invasive weeds; even if they look pretty, they are preventing the native plants from growing. Angela and the volunteer homeowners meet with Joey at pre-determined times and she educates them regarding when to pull certain invasive weeds; how to pull the weeds without spreading seeds; and, what is really native to this area and what shouldn't be here. To-date, DURT has met twice with Joey for educational weeding and has removed over 1000 pounds of weeds.

Joey Dorrel Canepa and Angela are creating a photo journal of acceptable plants and invasive weed pictures with guidelines for planting and weeding. Additionally, DURT will provide educational talks, flyers, and contribute articles to the Dunescape (quarterly newsletter). The pictures and educational material will be incorporated into our new website.

Bill proposed that DURT become a standing committee of the colony with ongoing outreach and educational activities because he feels that the committee's activities are essential for protection of both the homes and the septic systems and to help increase property values; the board M/S/C this proposal.

WATER COMPANY BUSINESS

Water Conservation reports for March and April 2019

Addressed in Managers Report.

ADJOURNMENT

The meeting was adjourned at 11:45 a.m. The next meeting is scheduled for July 20, 2019 at 10:00 a.m.

Respectfully Submitted

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Thomas J. Bugary CMCA, CCAM
General Manager and Secretary

EXECUTIVE SESSION

A homeowner was cited for both over-occupancy and a parking violation. After discussion, the board M/S/C to fine the homeowner \$700.

Treasurer's Report March and April 2019

This report covers our fiscal year budget status through April 30, 2019. Account Balances as of March 31, 2019 and April 30, 2019 are:

	<u>March</u>	<u>April</u>	
Total MDCA Reserve Funds	\$3,134,285.24	\$3,110,139.10	+
<i>Comm Assoc Banc (CAB) Reserve</i>	\$ ---	\$ ---	
+ <i>ICS Reserve (Bank Acct)-.4%</i>	\$ 755,173.75	\$ 485,358.02	
+ <i>CDARS-1.8% (Due 3/26/20)</i>	\$ 322,395.96	\$ 322,873.27	
+ <i>CDARS-.75% (Due 3/25/21)</i>	\$ 311,829.91	\$ 312,022.19	
+ <i>Wealth Mgmt Trust Acct-1.5%</i>	\$ 19,885.62	\$ 19,885.62	
+ <i>WM CD-1.45% (Due 7/7/21)</i>	\$ 150,000.00	\$ 150,000.00	
+ <i>WM CD-1.45% (Due 7/8/21)</i>	\$ 150,000.00	\$ 150,000.00	
+ <i>WM CD-1.75% (Due 4/4/19)</i>	\$ 235,000.00	\$ ---	
+ <i>WM CD-2.2% (Due 10/7/19)</i>	\$ 235,000.00	\$ 235,000.00	
+ <i>WM CD-2.6% (Due 4/3/20)</i>	\$ 235,000.00	\$ 235,000.00	
+ <i>WM CD-2.8% (Due 2/28/22)</i>	\$ 240,000.00	\$ 240,000.00	
+ <i>WM CD-2.6% (Due 3/1/21)</i>	\$ 240,000.00	\$ 240,000.00	
+ <i>WM CD-2.5% (Due 3/30/20)</i>	\$ 240,000.00	\$ 240,000.00	
+ <i>WM CD-2.3% (Due 10/15/19)</i>	\$ ---	\$ 240,000.00	
+ <i>WM CD-2.4% (Due 11/2/20)</i>	\$ ---	\$ 240,000.00	
CAB Operating	\$ 32,860.48	\$ 35,809.40	
RABOBANK Petty Cash	\$ 931.07	\$ 914.07	
CAB Water Operating	\$ 45,158.12	\$ 45,629.49	Total Water
Reserve Funds	\$ 170,004.34	\$ 171,379.45	
+ <i>CAB Water Reserve</i>	\$ ---	\$ ---	
+ <i>ICS Water Reserve (Bank Acct)</i>	\$ 170,004.34	\$ 171,379.45	

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,
Rick Crowley
Rick Crowley