

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

**July 21, 2018**

**Present**

Bill McGowan, President  
Todd Davis, Vice President  
Allen Rudolph, Treasurer  
George Maciag, Director  
Biff Jelavich, Director, via telephone  
Tom Bugar, Secretary and General Manager

**Absent**

None

**WELCOME**

Bill McGowan called the meeting to order at 10:00 a.m. on July 21, 2018 at the Monterey Dunes Colony Clubhouse. Bill stated that the inspector of elections, Bill Michaels, with the help of Susie, would be tabulating the votes regarding the CC&R deck cleaning initiative during the meeting.

**MINUTES**

The board reviewed the draft minutes of both the May 19, 2018 board meeting and the June 22, 2018 board teleconference. It was M/S/C to approve both minutes as presented.

**TREASURER REPORT**

Allen Rudolph, Treasurer, gave the Treasurer's Report for May and June 2018. Allen noted that the payments to the Capital Reserve Replacement Fund and to the Mutual Water Association were current. Additionally, Allen 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**

Rick Crowley, finance committee member, reported for Allen Rudolph, finance committee chair, because Allen was not able to attend the committee meeting being reported on. Rick reported that the committee had met the previous day and had reviewed the year-end finances. Their conclusion was that the colony's actual expenses for FY 2017-18 were well under budget due to deferral/timing issues. Rick also reported that the bank accounts for the colony were reviewed and that no action was taken regarding investments. In conclusion, Rick reported that the finance committee was recommending that the Colony proceed with the FY 2017-18 audit using John Little, CPA, of Allen and Cook. We have used this particular CPA to perform our audits for the last few years. The Board M/S/C this recommendation.

## **ENVIRONMENTAL CONTROL COMMITTEE (ECC)**

Fran Gentry, Acting Committee Chair, reported that the committee had three teleconferences - June 7, June 22, and July 5 - since the last board meeting. The following actions were taken:

- ◆ Unit 330 requested roof jacks through their flat roof - the request was approved with stipulations.
- ◆ Unit 206 requested exterior stairs be added to an exterior 2-level deck - the request was approved with stipulations.
- ◆ Unit 242 requested landscaping of courtyard - the request was approved awaiting a revised courtyard plant list from Joey Dorrell-Canepa, Coastal Biologist.
- ◆ Unit 190 requested landscaping outside his courtyard - the request was approved as long as the plants were from a plant list located in the Plan for Landscaping the Near House Areas dated September 10, 1990.

The final action reported by Fran was that the ECC took up the issue of a homeowners request to fly an American flag in the common area. This request was disapproved because the committee felt that since homeowners are allowed to put flags up at their units, it was not necessary to have an additional flag in the common area.

## **GENERAL MANAGER'S REPORT**

### **MONTEREY DUNES COLONY ASSOCIATION**

This is a cumulative report covering reserve projects and other work as completed in fiscal year 2017-2018, (July 1, 2017 through June 30, 2018). It also includes management topics associated with the July 21, 2018 director's meeting.

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

Partial replacements/repairs were made to courtyard fences at units 204, 216 and 268. The courtyard fence was replaced at unit 214 and an ECC approved electronic vehicle charging system was enclosed off the main courtyard fence at unit 226 as a CTO, (charge to owner).

A light pole near the main gate was replaced due to severe termite damage.

The reroofing of residential units (114, 116 and 118), (138, 140 and 142), and (224, 226 and 228) were completed, permits finalized and warranties issued. Garage units (112, 114, 116, 118), (138, 140, 142) and (224, 226 and 228) were also completed.

Coastal Roofing is currently replacing roofs on garage units (276, 278, and 280), (282, 284 and 286) and (330, 332 and 334). Concurrent with replacing the roofs on the 3 garage buildings, they are also replacing the roofs on residential units (330, 332 and 334) and should be completed with the first 4-buildings by August 9, 2018. Residential units (276, 278 and 280) and (282, 284 and 286) will be completed by the end of September as scheduling for these buildings is in progress.

Carl Black Construction completed replacing the cantilevered trellis system at unit 200. After the beams were replaced through the flat roof, the roof was replaced by Berkleo Roofing Company.

Patio Lattice was replaced at unit 246.

Three skylights were replaced on the sloped roof section of unit 142.

Units 182 and 184 Oceanside decks were replaced. A damaged deck was repaired at unit 212. Association carpenters replaced the decking in the swimming pool area, completed the last week of January, 2018.

An access door was replaced at unit 214.

Three sliding glass doors were replaced at unit 212. Window/sliding glass door replacements are pending for unit 122 and 290.

An ADA ramp was installed at unit 228 and 334 as additional work and billed to the respective unit owners.

All cul-de-sac identification signs have been refinished or replaced.

### **Boardwalk replacement**

Association staff replaced the boardwalk in the common area between units 204 and 218 and on the ocean side of units 298 and 300. We are next scheduled to replace the wooden boardwalk between units 262 and 264.

### **Painting and Weatherproofing**

Association staff has completed sealing and re-painting the exterior trim on units; 130, 138, 140, 142, 154, 160, 162, 170, 174, 176, 178, 180, 182, 212, 214, 216, 230, 232, 234, 252, 254, 256, 270, 272, 274, 276, 278, 280, 282, 284, 286, 288, 290, 292, 294, 304, 306, 308, 310, 324, 330 and garages from 102 through 130.

### **Side Wall Shingles**

The wind wall at unit 282 was re-shingled.

### **Drainage Field, Chip Seal and Asphalt Repair**

We have completed the installation of a drainage field and new curb system near the guardhouse and will tie this project in to the asphalt repair work which is now out for bid. This additional work will put these projects over budget but with some cost savings contracting the chip seal and asphalt repair together. Additionally, we are tasked to maintain the road accessing the property from the entrance of the Salinas State Beach parking area to the entrance of the colony. Although this road belongs to the State Parks, historically the colony has been charged with making any repairs to the road which we use exclusively as an easement over state park property. This will add an additional 10-15% onto the contract price for the chip seal and road repair. The chip seal and asphalt repair will be completed during the fall of 2018.

### **Coastal Projects**

#### **From last meeting:**

*The western snowy plover breeding season began on March 1, 2018. State Parks has already installed the barrier fencing with signage identifying the breeding areas. I have been asked by the environmentalists to pass out flyers to guests visiting the colony, explaining the fencing and the importance of staying out of the nesting areas. State Parks has reported that at least one nest has been destroyed by foot traffic this year and the eggs destroyed. The concierge is distributing the flyers to all guests entering the colony.*

*Mark Foxx with Haro-Kasunich and Associates has reviewed the topographic survey from Central Coast Surveyors. Mark stated that "It will be a significant effort to do the tasks identified in our letter to Monterey Dunes Colony dated 17 October 2017. That work involves:*

*Comparison of the 10-27-1970 topographic map, used as a base map by Rogers Johnson and Associates (REJA) in 1983 (by me) and later revised in 1995 and 2008 by REJA, with the current map Central Coast Surveyors has prepared in the same scale and contour interval as used in 1970, with a rectified color aerial photo overlay. Comparison of ground surface profiles (cross sections) through the new topographic map in the same locations as the 1983 REJA sections, and the 2009-2011 Coastal Conservancy LiDAR topographic map and the 2016 West Coast LiDAR topographic map will allow mathematical comparison of the recent site conditions and quantification of the threat to the septic leach fields and homes from additional coastal erosion that is expected to eventually occur at MDC. Through the additional scientific study and engineering analysis, we are hoping to be able to assess the level of risk based on quantitative evidence of past conditions and the trends and rates of change that are discovered, quantified and projected into the future."*

*Mark Foxx has requested a \$40K budget to do the work and present the colony with a product and timeline from which the colony can conduct long-range planning.*

There will be a Salinas River Lagoon Management stakeholder's meeting at the MDCA clubhouse on August 3, 2018 from 9 to 11 AM., followed by a site visit out at the mouth of the river. Most of the regulatory agencies will be represented as well as local farm landowners, independent conservatories and contract biologists. The host for this meeting is the Monterey County Water Resources Agency, (MCWRA) and the topic will be managing the breaking of the river during winter rains and the affect this will have on the neighboring properties as well as the protected habitat. I plan on being at the meeting with our biologists David Shonman and Joey Dorrell-Canepa.

Dune biologist Joey Dorrell-Canepa is working with Julia Bell, owner of a local nursery, (Succulent Gardens) to create a plant list for use in the courtyard areas. This list will be separate from the plants indigenous to the coastal dunes that we are currently using and can only be used when landscaping within the courtyards of the units.

### **Drywood Termite Maintenance Program Update**

#### **Completed Local Treatments: (Terminix International)**

Units 222 and 246 garages, units 106, 118, 136, 148, 196, 222, 248 and 250 living areas.

#### **Completed Local Treatments: (Wheeler Termite Company)**

Units 294 and 296.

#### **Pending Local Treatments: (Wheeler Termite Company)**

Units 148 and 184

#### **Completed Fumigations: (Wheeler Termite Company)**

Garages: 156-158-160, 218-220-222, 294-296-298, 312-314-316 and 324-326-328 were completed on March 20-21 and finished on March 22, 2018.

Residential Units: 246-248 and 250 on June 14, 15 and 16, 2018. Units: 196-198 and 200 on June 18, 19 and 20, 2018.

#### **Pending Fumigations: (Wheeler Termite Company)**

Garages: 132-134 and 136 , 138-140 and 142, 190-192 and 194, 184-186 and 188 and 318-320 and 322.

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

### **Water Conservation Billing**

During the May 2018 billing period, there were 15 units that exceeded the Tier 1 water conservation limit. Eight units were under the \$5.00 billing limit. There were no units in Tier 2 and 7 units in Tier 3.

During the June 2018 billing period, there were 30 units that exceeded the Tier 1 water conservation limit. Eight units were under the \$5.00 billing limit. There were 7 units in Tier 2 and 15 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.

During the month of February, we received several onsite inspections by the North Monterey County Fire District. While there were no deficiencies in his reporting, he did advise additional hydrant maintenance including the sandblasting and repainting of all the hydrants. There were other recommendations made to ease access to the hydrants by the fire department and to insure that increased pressure was available in the event of a fire. The association has complied with his recommendations.

### **OLD BUSINESS**

#### **TABULATE VOTES FOR CC&R DECK CLEANING AMENDMENT**

The inspector of elections, Bill Michaels, stated that the final ballot count was 81 for making homeowners responsible for their deck cleaning and 12 against. Bill McGowan reminded everyone that we need a 2/3 majority (81 votes) to pass an amendment to the CC&R's, so the deck cleaning amendment was "just barely" passed.

### **PG&E RATES**

Stuart Wentworth, Unit 170, volunteered to look into the rates that PG&E is charging homeowners because several owners feel that they're not being charged the correct rate. Since we are all-electric units, PG&E is supposed to re-calculate the rates every three years. The rates available on-line are from 2014, so it is time for the base rates to be recalculated. The problem is that the base rate is calculated on 50-60% of average usage and because the majority of homeowners are absentee owners, the base rate is kept low increasing the usage rates for everyone at the Colony.

It was pointed out by a homeowner in the audience that they had been paying the wrong rate for a few years - they had been paying a rate that included gas. When they finally caught the error, they were refunded almost \$1000. They recommended that all homeowners check their bill to ensure that they are not paying for gas.

The board established an ad hoc energy efficiency committee. The chair of the committee is Stuart Wentworth, unit 170, and the only committee member is Karen Turner, unit 304.

### **NEW BUSINESS**

#### **2018-19 BOARD OF DIRECTORS ELECTED BY ACCLAMATION**

Because we only had five nominees for the five board positions, all five were elected by acclamation:

1. Bill McGowan
2. Todd Davis
3. Allen Rudolph
4. Rick Crowley
5. Biff Jelavich

At the annual homeowners meeting and barbecue on October 20, 2018, the board members will have an organizational meeting and decide who will serve in the specific board positions (President, Vice President, Treasurer or Director-at-Large).

### **OWNER'S STATEMENTS**

It was suggested by a homeowner, that the next time there is a re-write of, or amendment to the CC&R's, that a committee be formed to look at the CC&R's and determine if there is anything else to be done and that this committee include an attorney (there are several in the Colony).

### **STATUS OF LARABEE LITIGATION**

A homeowner in the audience requested a status update of the ongoing Larabee lawsuit. Todd Davis gave a quick synopsis of the wrongful death lawsuit in which the association has been named. He said that an older couple rented one of the units out here and the gentlemen allegedly slipped and fell in the courtyard (no one saw him fall), hit his head and died five to six months later. Both the homeowner in the case and the association filed for a summary judgement. The judge denied the request for summary judgement, so the case will be going to trial. However, there is the possibility that the case will settle since we have a high probability of winning the case. If there is a settlement, the association will be secondary to the homeowner. We have some liability in the case since the CC&R's did not state that the homeowners were responsible for cleaning their own decks. Even though we had a rule stating that homeowners were responsible to clean their decks, our CC&R's superseded that rule.

### **STATUS OF RENTAL PROGRAM**

A homeowner in the audience requested a status update of the rental program. Tom reported that we have reduced fines and associated confrontations by about 95% and that this reduction is largely based on the concierge at the front gate. Tom reported in the interest of safety, we have installed a camera and flood lights at the front gate. Additionally, he reported that we will be installing a red-light siren as a panic button.

### **WATER COMPANY BUSINESS**

Addressed in Managers Report.

### **ADJOURNMENT**

The meeting was adjourned at 12:00 P.M. The next regular board meeting is scheduled for September 15, 2018 at 10:00 A.M.

### **Respectfully Submitted**

//s//

Thomas J. Bugary CMCA, CCAM  
General Manager and Secretary

## **EXECUTIVE SESSION**

The Board discussed the following four items: (detailed below).

- Homeowner request to waive fee for excess water usage. Due to the fact that this was the homeowners first request for waiver since the fee structure was implemented, the waiver was granted.
- Homeowner cited for rental guest vehicle illegally parked and without identification tags. The board fined the homeowner a total of \$300 for the infractions.
- Homeowner cited for overcrowding a rental unit. The board waived the fine because this was the homeowner's first violation of association rules.
- Update on foreclosure of APN 229-081-023. The unit is now in escrow.

## Treasurer's Report May and June 2018

This report covers our fiscal year budget status through June 30, 2018. Account Balances as of May 31, 2018 and June 30, 2018 are:

	<u>May</u>	<u>June</u>
Total MDCA Reserve Funds	\$3,207,100.61	\$ 3,392,600.06
+ <i>Comm Assoc Banc (CAB) Reserve</i>	\$ ---	\$ ---
+ <i>ICS Reserve (Bank Acct)</i>	\$ 655,550.57	\$ 839,886.20
+ <i>CDARS (CD Due 3/28/19)</i>	\$ 305,579.72	\$ 305,705.33
+ <i>CDARS (CD Due 1/31/19)</i>	\$ 611,277.56	\$ 611,654.48
+ <i>CDARS (CD Due 3/26/20)</i>	\$ 317,598.85	\$ 318,069.05
+ <i>CDARS (CD Due 3/25/21)</i>	\$ 309,888.12	\$ 310,079.21
+ <i>Wealth Mgmt Trust Acct</i>	\$ 2205.79	\$ 2,205.79
+ <i>WM CD (Due 10/4/18)</i>	\$ 235,000.00	\$ 235,000.00
+ <i>WM CD (Due 4/4/19)</i>	\$ 235,000.00	\$ 235,000.00
+ <i>WM CD (Due 10/7/19)</i>	\$ 235,000.00	\$ 235,000.00
+ <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	\$ 74,328.46	\$ 135,195.95
RABOBANK Petty Cash	\$ 1,295.77	\$ 1,264.77
CAB Water Operating	\$ 33,944.21	\$ 27,771.71
Total Water Reserve Funds	\$ 161,154.51	\$ 154,668.94
+ <i>CAB Water Reserve</i>	\$ ---	\$ ---
+ <i>ICS Water Reserve (Bank Acct)</i>	\$ 161,154.51	\$ 154,668.94

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,

*Allen Rudolph*

Allen Rudolph