

**COMBINED MEETING OF THE BOARDS OF DIRECTORS  
MONTEREY DUNES COLONY ASSOCIATION  
AND  
MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION  
November 18, 2006**

**PRESENT**

Ellen Michaels, President  
Marty Deggeller, Treasurer  
George Maciag, Director  
Jeff Schwartz, Director  
Tom Bugary, Secretary and General Manager

**ABSENT**

Frank Williams, Vice President

**WELCOME**

Ellen Michaels called the meeting to order at 10:00 AM, November 18, 2006 at the Monterey Dunes Colony Clubhouse.

Ellen announced that Ted Balgooyen had passed away on November 2, 2006 and offered condolences to Mary on behalf of the colony.

**MINUTES**

The Board reviewed the minutes of both the August 19, 2006 Directors meeting and the October 20, 2005 Annual Meeting of the Members. It was M/S/C to approve the minutes of the August 19, 2006 Directors meeting as written. The Board had solicited, and received 89 proxies from members to approve the 2005 Annual Meeting minutes. It was M/S/C to approve the Annual Meeting minutes as written.

**PRESENTATION ON RESIDENTIAL FIRE SAFETY**

Fire Marshall Mike Roberson (NMCDFD) gave a presentation on fire safety and discussed the need for working smoke alarms and fire extinguishers in every unit. Tom Bugary, General Manager, video taped the presentation and will make DVD copies available to interested homeowners.

**TREASURER'S REPORT**

Marty Deggeller, Treasurer stated that in lieu of reading the account balances from the Treasurer's Report, the financial reports for both June and July are attached to the minutes.

Additionally, Marty stated that the payments to the Capital Replacement Fund of \$16,320.00 per month and \$3,750.00 per month to the Mutual Water Association were current.

### **FINANCE COMMITTEE REPORT**

Marty Deggeller gave the Finance Committee report for John Gentry, Committee Chair. He stated that the committee had last met on October 21, 2006, immediately preceding the Annual Homeowners meeting. At the meeting, the Committee reviewed the financials from July through September 2006. Marty also reported that although the operating budget showed that we were slightly under budget from July through September, the committee anticipates that actual expenses will somewhat exceed budgeted expenses because of unexpected increases in insurance premiums that renewed in August. Marty also reported that due to some recent bulk purchases of deck materials, the reserve expenditures were slightly over but this line should smooth out as we get further into the fiscal year.

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

Mary Jansing Balgooyen, Committee Chair, reported that the Committee had met that morning prior to the Board meeting. They had six requests for architectural changes. The committee disapproved two of the requests and approved the other four with stipulations.

### **ADHOC RULES COMMITTEE REPORT**

Mary Jansing Balgooyen, Committee Chair, reported that the Board (at the August 19, 2006 Directors Meeting) ratified the "MDCA Rules and Schedule of Fines" to add an Occupancy Standard which mirrored the association's CCRs. Since that time, and after several comments and questions concerning the application of the rule, the association's counsel has advised that the formatting of the rule be slightly revised to further clarify the rule as it applies to all members of the association. Mary further stated that even though the formatting has been revised, the rule itself remains as ratified. The Board M/S/C to approve the change in format, and asked Tom to insure that the change be attached as an addendum to the minutes.

### **GENERAL MANAGERS REPORT**

#### **Deck and Fence Replacements**

The Association replaced 10 of the 15 scheduled unit decks identified for replacement this fiscal year, (July 1, 2006 through June 30, 2007). Decks completed this fiscal year are associated with units 120, 128, 162, 170, 172, 182, 186 and 290.

The Association has replaced courtyard fences at units 172 and 174 and a partial replacement at unit 120. We are scheduled to replace up to 1000 lf of fencing this fiscal year with associated gates and hardware.

#### **Window Replacement Project**

The Association has completed 58 of the 145 scheduled window replacements projected for this fiscal year. Independent contractors completed the replacement of 23 additional windows in

units under remodel while 17 others are in the process of being replaced. Management continues to repair rotted framing and deck tie-ins that are identified during window and deck replacements.

### **Re-siding Project and Entry Door Replacement**

Association carpenters completed siding units 264, 266, 288, and 340 and are working at units 120, 172, 186 and 290. Association work crews have installed 2 entry doors this fiscal year.

Management is in the process of negotiating the next load of sidewall shingles from the Clarke Group headquartered in British Columbia. The cost of cedar has escalated with increased consumer demand due to last year's storm damage by Hurricane Katrina. The cost for a square, (10' x 10' section) of fire treated premium sidewall shingles went from a negotiated bulk rate of \$179 a square in 2005, to recent quotes of as much as \$210 a square. Depending on the availability of the logs, we are attempting to have a mill cut throughout the holiday season at a special cost, and to truck the load, (approximately 220 square), to the CHEMCO treatment facility in upstate Washington for pressure treating and then directly to the Monterey Dunes Colony. I am anticipating a negotiated cost in the range of \$192. - \$198. a square, plus the cost of off-loading the product at MDCA.

### **Smoke Detector Inspections**

Management is working with the North County Fire Marshall to develop checklists for a smoke detector safety inspections scheduled to take place the week of December 4, 2006. We are also developing a fire safety checklist, which we can use at the same time as we inspect smoke alarms, with the purpose of alerting homeowners to fire safety shortcomings that may exist in their homes.

Management will coordinate with homeowners any entry into the units for the maintenance and inspection of unit smoke alarms.

### **Electrical Panel Replacements**

Management is working closely with one of the three electricians working on the property to replace faulty electrical sub-panels in the units. All panels, scheduled for replacement through the association office, (regardless of the electrician selected to do the work), are monitored and county permit status verified and filed in the unit files. Many unit owners have gone directly to their favorite electrician and subsequently not turned in the county permits to the office for filing. In these cases, homeowners will be contacted in writing and requested to supply the association with a copy of the permit to install the upgraded panel.

### **Warranty Fumigation**

Management is still in the process of scheduling units 162, 164 and 166 for fumigation. A re-infestation of drywood termites was discovered during construction work on unit 162 in August. Scheduling conflicts on the part of both Terminix, as well as the 3-homeowners has slowed finalizing the schedule.

### **Annual Chimney Inspections**

Annual inspections started on June 20, 2006 and are now complete. Cypress Sweeps red-tagged 8 units and identified many others for chimney repairs.

### **Reserve Trim Painting**

Over the next two fiscal years, units 102 through 194 will have the unit trim pressure washed, primed and repainted. Management will attempt to notify homeowners prior to their units being serviced.

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

During the October billing period, there were no units that exceeded the Tier 1 conservation zone.

### **OLD BUSINESS**

Bill Hoisington, again, mentioned the possibility that the Colony get a siren that is connected to the national tsunami warning system. Tom responded to Bill saying that Monterey County does have a tsunami warning system, and that the General Manager of the Colony would be notified by the Fire Department in case of an impending tsunami. In turn, both Susie and Ed would call permanent residents, rental agents, and known occupants of the Colony notifying them of the impending disaster. The Board requested Tom to research what other coastal communities are doing for an emergency alert system with particular emphasis on tsunami warnings.

### **NEW BUSINESS**

None

### **WATER COMPANY BUSINESS**

Addressed in the managers report.

### **ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:51 a.m. The next meeting of the Board of Directors will be February 3, 2007 at 10:00 A.M.

### **FOR THE BOARD OF DIRECTORS:**

//s//

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

## **Treasurer's Report September and October**

This report covers our fiscal year budget status through October 31, 2006.

Account Balances as of September 30 and October 31, 2006 are:

	<u>Sept</u>	<u>Oct</u>
Union Bank Reserve	\$435,678.64	\$350,251.07
Union Bank Operating	\$ 16,532.19	\$ 66,711.23
Union Bank Investment Acct	\$ 7,841.23	\$ 7,846.70
Community Bank Petty Cash	\$ 550.85	\$ 668.23
Union Bank Water Operating	\$ 19,639.85	\$ 20,715.45
Union Bank Water Reserve	\$ 75,985.88	\$ 77,412.66

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,

*Martin E Deggeller*

Martin E. Deggeller, Treasurer