

**COMBINED MEETING OF THE BOARDS OF DIRECTORS  
MONTEREY DUNES COLONY ASSOCIATION  
AND  
MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION  
April 23, 2005**

**PRESENT**

Mary Jansing Balgooyen, President  
Marty Deggeller, Treasurer  
John Steinhart, Director  
Tom Bugary, Secretary and General Manager

**ABSENT**

Ellen Michaels, Vice-President  
Jeff Schwartz, Director

**WELCOME**

Mary Jansing Balgooyen called the meeting to order at 10:00 AM, April 23, 2005 at the Monterey Dunes Colony Clubhouse.

**MINUTES**

The Board reviewed the minutes of the March 19, 2005 meeting. It was M/S/C to approve the minutes as written.

**TREASURER'S REPORT**

Marty Deggeller, Treasurer, gave a verbal report. In lieu of reading the account balances from the treasurer's report, Marty stated that the financial report for March is attached to the minutes. Marty told the homeowners that payments to the Capital Replacement Fund of \$16,320.00 per month and \$3,577.20 per month to the Mutual Water Association are current.

**FINANCE COMMITTEE REPORT**

Marty Deggeller reported for John Gentry, Committee Chair. Marty stated that the Finance Committee met on April 15, 2005, to review the colony's financials and adjustments through June 30, 2005. After discussing year-end projections, the committee expects to end the year approximately \$35,000 in the black. This is mostly due to savings in workers compensation and employee health care benefit premiums. Marty stated that the Committee discussed how to best use this money and unanimously recommends to the board that if this small surplus is realized, that the Board redirect this money to fund

upcoming capital improvement projects such as the demolition and conversion of tennis court area 5 and 6 into a multi-purpose sport center. This would preclude going back to the members for additional funds for this project in the future.

The committee also reviewed the proposed fiscal year 2005-2006 operating budget submitted by the general manager. (Read-ahead copies were sent to the committee members three weeks in advance to expedite committee analysis). The Finance Committee discussed this proposed budget line-by-line. After a lengthy 4-hour meeting, the Committee adjusted the budget, increasing a few lines and decreasing others ultimately leaving the homeowner monthly dues at the current level for FY 2005-06.

Marty stated that the Committee recommends to the Board that the homeowner monthly dues remain at \$665.00 for the FY 2005-06, and that the Board accept the 2005-2006 Operating Budget as submitted.

The Board M/S/C that any surplus dollars from the 2004-2005 operating budget be retained and fenced into a line as a contingency fund to be used in upcoming capital improvement projects. The Board also M/S/C to accept the 2005-2006 Operating Budget and that the homeowner monthly dues remain at \$665.00.

Tom was instructed to talk with our CPA on how best to mark any budget surplus as “contingency” funds in next years budget.

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

Tom Bugary reported for Ellen Michaels, Committee Chair. Tom reported that the ECC had met on March 19, 2005. Four items were presented to the Committee for approval.

- Unit #160 requested to remove two trees from their courtyard. The committee approved the application as submitted.
- Unit #324 requested to extend their fireplace flue one 4” section to improve the draw. The committee approved the application as submitted.
- Unit #318 requested to install rain gutters on their front and back porches. The committee conditionally approved this application and will reevaluate the gutters on the ocean side for aesthetic purposes after the installation.
- Unit #310 requested to install 3 skylights (similar to an approved remodel on unit 306). The committee approved the application as submitted.

### **ADHOC HIGH SPEED INTERNET COMMITTEE**

Tom Bugary reported for Jim Forster, Committee Chair. Tom stated that after a review of several proposals, the committee recommends that a local company, (Redshift) be allowed to install a T-1 line, through the local phone service and set up and operate a wireless high speed internet system working directly with those homeowners that are interested in subscribing. The owner of unit 210 has offered space in his unit for a base station from the T-1 hookup located outside of his unit. Tom stated that per the instructions from the

Board, the Association is acting as a coordinator for the project on behalf of the homeowners, but does not intend to get into the internet provider business. The Association has no operational or administrative responsibility for this service.

The set-up fee for Redshift High Speed Internet will be \$99 with three speed options: 1) fast - \$39.95 per month; 2) faster - \$49.95 per month, and 3) fastest - \$79.95 per month. The owner of Redshift will warranty all equipment for a period of three years. You can view the proposal at [www.montereydunescolony.com](http://www.montereydunescolony.com). For those homeowners who are interested in signing up for this service or would like to learn more, please contact Susie at the office by phone or email.

## **GENERAL MANAGER'S REPORT**

### **Deck and Fence Replacements**

We have replaced 21 of the 25 decks identified as unserviceable this fiscal year, (July 1, 2004 through June 30, 2005). We continue to combine deck replacements with other major construction projects when possible. In the January Board meeting, the Board authorized that we temporarily reduce the window replacement line, (by approximately 40-50 replacements) this year and "plus up" the deck line. Once we replace these additional decks, we can reverse the process and re-emphasize window replacements in future budget cycles.

We have completed fence replacements for this fiscal year, replacing over 2000 linear feet of residential fences and gates and refuse areas.

### **Window Replacement Project**

We have replaced or reset 133 windows since July 1, 2004. Scheduling issues, inclement weather and priority deck and fence replacements continue to have an impact on the number of windows we will replace this year. Due to increased deck and fence replacements, we will not complete the 218 scheduled replacements by June 30, 2005.

### **Milgard Sliding Glass Door Evaluation**

We are currently working with the Hollister, plant-based Milgard technical staff concerning some of our first generation fiberglass sliding glass doors. Some of the doors have had leak issues through the nail fins at the top of the door. Milgard has sent out installation technicians to review some of our installed doors to advise on how to modify the installation and seal these nail fins watertight.

### **Fumigation Warranty Work**

Terminix will be fumigating units 264/266/268 in the near future. Management will coordinate this Section 1 warranty work with affected homeowners.

Terminix will also be fumigating the clubhouse early this summer. During a recent window replacement project, live infestations were found in the underpinning of the building.

### **2005-2006 Draft Proforma Budget**

The 2005-2006 Operating Budget, 2004-2005 Budget Forecast and Reserve Projections for both the Association and the Water Company were approved by the Finance Committee on April 15, 2005. They are now pending approval by the Board. The annual Proforma Budget Packet will be mailed to the members on or about May 10, 2005. New civil code guidelines (cc1365), allow for the distribution of the annual disclosures *no less than 30 days, nor more than 90 days prior to the beginning of the Association's fiscal year*. This relaxes the rush to have the budget packet mailed within the two-week window as mandated by the civil code in previous years.

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

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

During the March Billing Period, there were no units in either the Tier 2 or Tier 3 zones.

### **OLD BUSINESS**

#### **Letter from Attorney concerning authority clarifying Board's authority to replace unserviceable tennis courts.**

The Board had Tom check with our attorneys as to whether they had the authority to replace the tennis courts without homeowner approval. The answer from the attorneys was "Yes, the Board can provide for replacement or substitution of the unusable tennis courts."

### **NEW BUSINESS**

#### **Request from Homeowner to redesign and refocus the Dunescape**

A homeowner suggested that the quarterly homeowner newsletter be refocused directly on the homeowners as she felt that the focus of the newsletter has "drifted" away. The homeowner had some specific suggestions, and both she and Susie will try to incorporate her suggestions (or as many as feasible) in the next Dunescape. Mary directed Susie to add her name as Editor in the newsletter along with her contact phone number and email address for anyone wishing to contribute an article or a suggestion.

### **Donation of Ship's Wheel for Clubhouse**

A homeowner donated a very large, very old ship's wheel to the clubhouse. The intent is to replace the picture of four ducks, hanging over the fireplace in the clubhouse with the wheel. The Board discussed the matter and ultimately decided to mount the wheel above the fireplace in the clubhouse. The Board also agreed to re-look the matter in 6 months and asked Tom to keep homeowner comments for the Board to discuss at a future meeting.

### **Letter from Homeowner forwarding client comments concerning restrooms and tennis courts.**

A homeowners forwarded concerns from one of his renters regarding the deteriorating tennis courts and restrooms accessible to the MDCA homeowners and visitors. The Board felt that since both of these items are being corrected in the near future, no discussion was necessary.

### **Saunas**

It was noted that the Saunas have been repeatedly misused resulting in expensive repairs. Therefore, in order to not incur any more repair expenses, the saunas have been kept locked "for repairs" and only those homeowners who ask management for entry are able to use them. The Board directed that this information be published in the Dunescape.

### **Elkhorn Slough Announcements**

As a member in the Elkhorn Slough, Monterey Dunes Colony receives periodic member updates. The last update received listed two events – 1) an Annual Walk through Brothers Ranch on Saturday, April 30 between 9 a.m. and noon, and 2) A special annual celebration on June 21 at 7 p.m. at the Monterey Bay Aquarium's new "Ocean's Edge" Exhibit. Because the Dunescape would be distributed to the members after the first event, the Board directed that the second event be published in the Dunescape.

### **WATER COMPANY BUSINESS**

Recently planted trees and other landscape surrounding the new well site at the south end of the property have been severely damaged by high winds experienced here at the dunes. Management is replacing these trees with larger trees and putting up wind screens to help these trees become established.

Other water company business is addressed in the General Manager's report.

### **ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:30 a.m. The next Board meeting will be on June 11, 2005 at 10:00 a.m.

**EXECUTIVE SESSION**

Following the adjournment of the Board meeting, the Board reconvened in an executive session to discuss an employee matter.

**FOR THE BOARD OF DIRECTORS:**

Respectfully Submitted,

//s//

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

## **Treasurer's Report**

### **March 2005**

**This report covers our fiscal year budget status through March 31, 2005.**

**March 31, 2005 account balances are:**

|                                    |                      |
|------------------------------------|----------------------|
| <b>Union Bank Reserve</b>          | <b>\$ 320,587.66</b> |
| <b>Union Bank Operating</b>        | <b>\$ 122,751.60</b> |
| <b>Union Bank Investment Acct.</b> | <b>\$ 7,766.20</b>   |
| <b>Community Bank Petty Cash</b>   | <b>\$ 901.18</b>     |
| <b>Union Bank Water Operating</b>  | <b>\$ 17,846.03</b>  |
| <b>Union Bank Water Reserve</b>    | <b>\$ 67,532.70</b>  |

**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**