

**COMBINED MEETING OF THE BOARDS OF DIRECTORS
MONTEREY DUNES COLONY ASSOCIATION
AND
MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION
May 13, 2006**

PRESENT

Ellen Michaels, President
Frank Williams, Vice-President
John Steinhart, Director
Jeff Schwartz, Director
Tom Bugary, Secretary and General Manager

ABSENT

Marty Deggeller, Treasurer

WELCOME

Ellen Michaels called the meeting to order at 10:00 AM, May 13, 2006 at the Monterey Dunes Colony Clubhouse.

MINUTES

The Board reviewed the minutes of the March 18, 2006 meeting. It was M/S/C to approve the minutes as written.

TREASURER'S REPORT

In the absence of Marty Deggeller, Treasurer, Tom Bugary gave a verbal report. In lieu of reading the account balances from the treasurer's report, Tom stated that the financial report for March and April is attached to the minutes. Tom stated that the payments to the Capital Replacement Fund of \$16,320.00 per month and \$3,750 per month to the Mutual Water Association were current.

FINANCE COMMITTEE REPORT

Last Meeting 5-13-06 – 9:00 AM

John Gentry reported that the committee had met at 9:00 a.m. immediately prior to the Board meeting to review the fiscal year finances through April (July 05, 2005 – April 06, 2006). John commented that it was the opinion of the committee that the colony is fiscally sound and that the operating account is expected to end the fiscal year with a small surplus.

The next meeting of the Finance Committee will be on Friday, August 18, 2006 at 11:00 a.m. in the Clubhouse to review the annual MDCA and MDCMWA audits with the auditor in attendance.

ENVIRONMENTAL CONTROL COMMITTEE (ECC) REPORT

Tom Bugary, (Secretary and non-voting member) reported for Mary Jansing Balgooyen, Chair of the ECC. Tom stated that there would be an ECC meeting immediately following the Board meeting at 12:00 p.m. in the clubhouse.

GENERAL MANAGERS REPORT

The Manager made the following report:

Deck and Fence Replacements

As of this report, we have replaced 18 unit decks identified as unserviceable this fiscal year, (July 1, 2005 through June 30, 2006), 3 over the projected 15 replacement decks funded for this fiscal year.

The colony's goal is to replace approximately 1000 linear feet of fencing each year. This includes refuse disposal areas, and courtyard entrance gates. We have replaced over 1,500 feet as of May 1st and will probably end the fiscal year with close to 2,000 feet of fencing replaced.

Window Replacement Project

Management still has 22 projected replacement windows and sliding glass doors scheduled this year. There are also several warranty window replacements that association carpenters will install for the manufacturer and charge the labor back to the window manufacturer. We are now ordering and pre-positioning windows scheduled for replacement next fiscal year.

Re-siding Project

We completed siding units 134, 142, 144, 156, 158, 160, 218, 244, 272, 192, 194, and 302. Association work crews also finished garages at 150, 152, 154, 156, 158, 160, 242, and 244. We have not completed the 500 plus squares projected for replacement this year but should be close to this goal by June 30.

On Wednesday, May 3, the Colony received a shipment of 250 squares of fire treated sidewall shingles from Cedar Plus. This shipment supports the reserve-reshingling project at a cost of \$179.00 a square, or \$44,750.

Electrical and Smoke Detector Inspections

- 115 units inspected. (Owners received, or now receiving reports on findings).
- 5 units inspections waived due to remodel.

The Board instructed Tom to summarize the serious problems from all electrical finding

reports. Ellen stated that she will work with Tom on developing a plan of corrective action for problems identified and that they will present a plan of action at the next Board meeting.

Tennis Court Project

Don Chapin started the tennis court project on September 17, 2005. There were many delays in completing the project due to inclement weather, however, the contractor phase of the project is now complete and the fields are open for play. The multi-purpose play area will soon be landscaped and a small fence installed between the basketball court and the multi-purpose play area. We will be installing a pad around the basketball hoop posts to help prevent the possibility of injury. The association will also add tables and chairs on the decking of the multipurpose play area.

Management has temporarily secured the 2 older tennis courts for repairs. One of these courts will be reopened this spring after repainting and repair of the existing perimeter fence, while the other will remain closed pending a new playing surface.

Road Chip Seal Schedule

The Road Chipseal project is scheduled as a three-day project starting on Wednesday, May 31st, (preparation), Thursday, June 1st, (sealing), and Friday June 2nd, (cleanup). Management will meet with the Don Chapin Company later in the month to lock in the details of the project. Homeowners will be notified of the sequence of events, some which may cause them inconveniences and/or delays during this three-day project.

Reserve Study Updates

The Barrera and Company completed the Monterey Dunes Colony and the Mutual Water Association Reserve Studies in March this year for fiscal years 2006 through 2036. An abbreviated version of both of these studies is included in the annual proforma packet that will be sent out next week. Homeowners who wish a complete version of either study may obtain them from the association office.

2006-2007 Proforma Budget and Disclosures

- Annual Proforma Budget and disclosures will be mailed to homeowners the week of May 15, 2006
- Election and Voting Rules were mailed to homeowners this month.
- Assessment Collection Policy Revisions were mailed to homeowners in April.
- Proposed changes to our Governing Documents were mailed to homeowners this month in a voting packet.

Water Conservation – Oriented Billing

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

OLD BUSINESS

Letter from Insurance Broker reference Flood Insurance

For the past several months, the Board has been researching the most advantageous flood insurance coverage for the association. They finally purchased a policy through FEMA which will take effect on 8-1-06. In order to clarify this insurance policy to the homeowners, the Board requested Tom to prepare a letter explaining the coverage. In turn, Tom had our insurance broker prepare a letter to the homeowners that will be distributed to the homeowners with the next Dunescape issue. After reading the letter, if there are any additional insurance questions, please contact your insurance broker or our insurance broker, Jeff Kane, at 831-763-7088.

NEW BUSINESS

Appoint Nominating Committee/Committee Chair

Jim McFeeters was appointed as the committee chair and Mary Jansing Balgooyen was appointed as a committee member. Ellen noted that she had talked to a homeowner who had volunteered to serve on the board next year and said she would give the committee the name. Ellen also stated that it would be good to know of any others who might be interested in serving as a director. Those interested should contact Jim, Mary or any of the board members.

Appoint Inspector of Elections for the 2006/2007 Election of Directors

Bill Hoisington was appointed as the Inspector of Elections for the Election.

Homeowner concern about Bats in the Colony

A homeowner voiced his concern regarding bats at the Colony. Bats are abundant at the Colony and tend to make their homes under the fascia trim and in some cases inside unit walls. The homeowner questioned if we could build “Bat Houses” so that the bats remain in the Colony (they eat mosquitoes and bugs) but not in the unit walls. Tom was instructed to research the feasibility of building and placing these “Bat Houses” at the Colony and report these findings at the next meeting.

WATER COMPANY BUSINESS

Addressed in the managers report.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:30 a.m. The next meeting of the Board of Directors will be June 17, 2006 at 10:00 a.m. The following meeting is scheduled for August 19, 2006 at 10:00 a.m.

EXECUTIVE SESSION

Homeowner request for Late Fee Waiver

FOR THE BOARD OF DIRECTORS:

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

**Treasurer's Report
March and April, 2006**

This report covers our fiscal year budget status through April 30, 2006.

March 1, 2006 and April 30, 2006 account balances are:

March	April
Union Bank Reserve	\$254,091.10 \$194,414.64
Union Bank Operating	\$ 49,630.06 \$ 92,355.08
Union Bank Investment Acct.	\$ 7,813.30 \$ 7,817.47
Community Bank Petty Cash	\$ 1,253.30 \$ 681.03
Union Bank Water	
Operating	\$ 17,901.83 \$ 16,468.25
Union Bank Water Reserve	\$ 71,118.51
\$ 75,306.10	

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**