

**COMBINED MEETING OF THE BOARDS OF DIRECTORS  
MONTEREY DUNES COLONY ASSOCIATION  
AND  
MONTEREY DUNES COLONY MUTUAL WATER  
ASSOCIATION  
May 19, 2007**

**PRESENT**

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

**ABSENT**

Frank Williams, Vice President  
Jeff Schwartz, Director

**WELCOME**

Ellen Michaels called the meeting to order at 10:00 AM, May 19, 2007 at the Monterey Dunes Colony Clubhouse.

**MINUTES**

The Board reviewed the minutes of the March 24, 2007 Directors meeting. It was M/S/C to approve the minutes as written.

**TREASURER'S REPORT**

Marty Deggeller presented his written report for March and April 2007. This report is attached to and made part of these minutes. 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.

As a matter of record, Marty stated that he is randomly reviewing the Association's canceled checks on-line because hard copies are no longer returned by the bank. Copies of all cancelled checks can be printed from the UBOC website if necessary.

**FINANCE COMMITTEE REPORT**

John Gentry, Chair of the Finance Committee, gave a verbal report. John stated that the committee had met at 9:00 that morning to review the finances of the colony from July 1, 2006 through April 30, 2007. The actual expenses closely matched the forecasted amounts prepared

by the General Manager.

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

Due to the absence of Mary Jansing Balgooyen, committee chair, Ted Swanson reported for the ECC. The ECC met on May 16, 2007 with the following results:

1. #292 requested an additional entrance to their crawl space under their unit. This request was approved.
2. #300 requested to install a (temporary) plexi-glass windwall on their Oceanside deck. This request was not approved.

## **GENERAL MANAGERS REPORT**

### **Deck and Fence Replacements**

The Association replaced all 15-scheduled unit decks identified for replacement this fiscal year, (July 1, 2006 through June 30, 2007). Association carpenters rebuilt 2 additional decks that were in need of replacement that were owner-responsible decks as a *charge to owner*. Decks completed this fiscal year are associated with units 120, 128, 162, 170, 172, 174, 182, 186 (x3), 214, 246 (x2), 254 (x2), 290, and 298 (x2).

The Association has replaced courtyard fences at units 120, 172, 174, 180, 256, 298, 310 and a refuse enclosure at 252-260.

### **Window and Entry Door Replacement**

The Association has completed 149 window replacements this year. We were scheduled to replace 145 windows, this fiscal year; however there were some additional warranty replacements that required attention in this year's budget. In addition to the association's window replacement program, there are 3 units under major remodel at this time where all windows in two of the units and some oceanside windows in the third unit have been replaced at the homeowner's expense. Management continues to repair rotted framing and deck tie-ins as they are identified during window and deck replacements. Association work crews have installed 10 entry doors since the start of the fiscal year.

### **Re-siding**

Completed since July 1, 2006: Units 120, 162, 164, 166, 168, 172, 186, 214, 246, 248, 252, 254, 256, 264, 266, 288, 290, 298, 318, 322 and 340. Units 174 and 320 had sections of sidewall replaced. Garages at units 246-250, 252-258, 256-262, 288-292, 294-298, 300-304, and 306-310 have also been resided.

Management is faced with challenges in future shipments of sidewall shingles because of the escalating cost of cedar. These cost increases are primarily due to the scarcity of the wood and increased demand. Winter storms and shortages of logs have inflated the market where we are

already tracking significant cost increases. We are working with companies in Washington State as well as in British Columbia for future shipments of wood.

### **Electrical Panel Replacements**

Management continues to work with electricians on the property who are replacing faulty electrical sub-panels in the units. We will be counting all panels replaced as well as documenting those panels that have not been corrected during the mid-year inspection cycle.

### **Front Gate Card Reader and Telephone Pad**

American Door and Gates, an independent contractor, has replaced the entry gate key pad and telephone access console. The existing telephone pad and computer system was in need of major repairs that would have cost far more to repair than the system was worth. The new system has an expanded capacity and an encrypted entry code system to prevent unauthorized access to the colony. Homeowners can exchange up to 20 keys and clickers at the association administrative office on a one for one basis. Keys and clickers are individually assigned and contractors or service agencies can receive time-restrictive access to the colony. There is no generic code assigned to the system for general access. Homeowners who wish more than 20 keys and clickers can purchase them for a fee, (\$5.00 for keys and \$20.00 for clickers).

### **Sauna Access**

New sauna heaters, (both wet and dry heat) were installed in February. The saunas are now operational and are available to homeowners upon request. Guests using the sauna must be accompanied by the homeowner. Instructions are made available to all homeowners that use the facility. The board asked that I report on how this system is working in this report. As of this date our policy inconveniences some, but offers less liability and protects the equipment from abuse. The saunas are open and available to all homeowners during established hours of operation.

### **2007-2008 Proforma Budget and Disclosures**

The budget and disclosure packets were sent to homeowners this past week. The 2007-2008 monthly assessments increased from \$705.00 to \$740.00 per unit per month, primarily due to increases in the cost of Flood and Earthquake Insurance.

Approximately 30 homeowners elected to receive the budget and disclosures via email, reducing the cost of printing and mailing the publication. Others elected to view it on the association website where it is posted under the Documents Section. The remaining homeowners have been sent a bound hardcopy for their records. Administrative costs to produce these mandatory disclosures are estimated at around \$1,200.00 this year.

### **OLD BUSINESS**

#### **Tsunami Alert Notification Program**

Tom reported that the Board had authorized the necessary funds to set up an alert system in

which all homeowners are notified in the event of severe weather or an inbound tsunami. Three individuals – Tom Bugary, General Manager, Jim McFeeters, on-site Emergency Coordinator, and, Ed Downie, Maintenance Supervisor will initiate the “School Messenger” system in which homeowners are called simultaneously with a recorded message. We have developed a list of over 200 phone numbers as the official notification list; (all unit phone numbers, homeowner home phone numbers, and available homeowner cell phone numbers). Information about how to obtain a NOAA alert weather radio was in the April issue of the Dunescape.

### **Satellite (TV) Upgrades**

At the previous board meeting, the board asked the General Manager to research the available options for upgrading the satellite dish infrastructure for the 41 residential buildings. Specifically, the board asked that he confer with Jim Forester, and/or Dale Christenson, (members of the 2002 ADHOC Satellite Committee), and give recommendations on whether or not the Colony should be responsible for periodic satellite dish upgrades for the 41 residential buildings.

Tom reported that he had discussed satellite system upgrades with Dale Christenson, as well as with Tom Little, American Satellite and all felt that there were not enough homeowners that were interested in high-definition television to warrant a colony-wide upgrade as a general service. The committee’s shared opinion that the Colony should provide a base service and, in the event that a homeowner desires an upgrade to their satellite service, they should be responsible for any additional cost beyond any service promotion, as well as the maintenance of the upgrade.

After discussion, the board agreed with the committee that base service and maintenance should continue and upgrades to the base service such as high definition dish replacements are the responsibility of the homeowner desiring the upgrade. The board reaffirmed that all satellite dish replacements, or any exterior satellite system reconfigurations needed to go through the ECC and be in accordance with the colony “siting” plan.

### **NEW BUSINESS**

#### **Appoint Committee Member for Vacant Finance Committee Seat**

The board appointed Bill Michaels as a member of the MDCA Finance Committee.

#### **Appoint Nominating Committee for the 2007 Election of Directors**

The board appointed Mary Jansing Balgooyen and Jim McFeeters as the 2007 Nominating Committee.

#### **Set Deadline for Receipt of Nominations for Director for 2007-2008 Term**

All nominations for the 2007-2008 Board of Directors must be received at the MDCA administrative office by close of business, July 19, 2007.

### **Set Record Date for Voting**

A record date to identify all members who are eligible (in good standing) to vote in the election of Directors for the 2007-2008 term is August 23, 2007.

### **Appoint Inspector of Elections for the 2007 Election of Directors**

The board appointed Ted Swanson as the Inspector of Elections for the 2007 election of Directors. Ted appointed the Office Manager, Susie Heavin, as his assistant.

### **Request to Offer Alternative Insurance Quote from Zane Insurance Company**

The Zane Insurance Company from Morgan Hill recently sent a letter to the Colony requesting the opportunity to offer “alternative insurance quotes” from new carriers recently entering the insurance market. After considerable discussion, the board recognized that in order for an insurance broker to obtain quotes on the colony’s behalf, they would have to be designated as our “broker of record”. After consulting with our existing insurance broker, Jeff Kane from KBK Insurance Company, the board felt that KBK Insurance could provide us with the same quotes, from the same carriers, that Zane could and there was no reason to make Zane Insurance Company our “broker of record” over our existing broker. Tom was asked to send the Zane Insurance Company a letter stating; while the colony welcomes any competitive bids for our insurance business, we could not make them our “broker of record” which would disallow our current broker from using the same insurance markets.

### **WATER COMPANY BUSINESS**

None.

### **ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:35 a.m. The next meeting of the board of Directors will be July 21, 2007 at 10:00 A.M.

### **EXECUTIVE SESSION**

- Member request to waive an assessment late fee

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

//s//

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

## **Treasurer's Report March and April**

This report covers our fiscal year budget status through April 30, 2007.

Account Balances as of March 31 and April 30, 2007 are:

	<u>Mar</u>	<u>Apr</u>
Union Bank Reserve	\$147,117.00	\$129,338.23
Union Bank Operating	\$ 96,186.28	\$ 78,137.12
Union Bank Investment Acct	\$ 7,872.51	\$ 7,877.84
Community Bank Petty Cash	\$ 1,315.96	\$ 1,233.98
Union Bank Water Operating	\$ 25,825.04	\$ 19,087.54
Union Bank Water Reserve	\$ 78,175.19	\$ 85,975.16

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