

**COMBINED MEETING OF THE BOARDS OF DIRECTORS  
MONTEREY DUNES COLONY ASSOCIATION  
AND  
MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION  
May 29, 2004**

**PRESENT**

Mary Jansing-Balگوoyen, President  
Ellen Michaels, Vice-President  
Marty Deggeller, Treasurer  
John Steinhart, Director  
Tom Bugary, Secretary and General Manager

**ABSENT**

Jeff Schwartz, Director

**WELCOME**

Mary Jansing-Balگوoyen called the meeting to order at 10:00 AM, May 29, 2004 at the Monterey Dunes Colony Clubhouse, 195 Monterey Dunes Way, Castroville, CA. 95012.

**MINUTES**

The Board reviewed the minutes of the March 27, 2004 meeting. It was M/S/C to approve the minutes as written.

**TREASURER'S REPORT**

In lieu of reading the account balances from the treasurer's report, Marty Deggeller stated that the reports for both March and April 2004 are attached to these minutes. In addition, Marty stated that the 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.

**CC&R/POLICY REVISION COMMITTEE REPORT**

Marty Deggeller, Co-Chair of the Committee, reported that the proposed CC&Rs, as well as the Colony Bylaws and the Water Bylaws, have been sent to the members and are currently being voted on. The cutoff for voting is June 1, 2004 so it is too early to predict what the final count will be, however, the ballots received up to this point show a very positive response by homeowners.

**FINANCE COMMITTEE REPORT**

John Gentry, Chair of the Finance Committee, stated that the Committee had met prior to the Board meeting and reviewed the Association and Water Company Financials through the end of April. John stated that both the Colony and Water Company expenses seem to be very close to budget.

The committee discussed the audit engagement letter received by Joelyn Car-Fingerle and recommend retaining her services again this year for the 03 audit. Joelyn has audited the Association's books the past 4-years and also completed the Association's tax returns. She will also prepare the year-end report and evaluate current financial management procedures.

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

Ellen Michaels reported that the ECC had met on May 21, 2004. At the meeting the following actions were taken:

- ♦ Exterior remodel at #102 to make the unit and the surrounding area around the unit wheel chair accessible. Approved in concept. Tom was asked to oversee the project, to work with county planning, if necessary, and make any necessary adjustments to accommodate the project within reason.
- ♦ Skylight addition at #258 - Approved
- ♦ Retractable entry screen at #300 – Approved
- ♦ Skylight addition at #108 – Approved

### **GENERAL MANAGER'S REPORT**

### **MONTEREY DUNES COLONY ASSOCIATION**

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

We have replaced 22 of the 25 allocated decks for this fiscal year, (July 1, 2003 through June 30, 2004). We continue to identify and schedule decks for replacement and should be close to completing our 25 projected replacements by June 30<sup>th</sup>. We remain over budget in this line due to material changes and cost increases since the reserve budget was developed in May 2000. Decks on the schedule for replacement are 188, 182, 142, 320, 324, 334, 320, 306, 150, 190, and 266. Others are on the recommended list but need further inspection before assignment.

Fence replacements are back on schedule and I anticipate completing all fence replacements this year. Association carpenters are currently installing the fenced enclosure around the new wellhead to include a service access for wellhead maintenance. These assignments are in addition to scheduled replacements and divert our manpower from scheduled replacements to special one-time projects.

### **Window Replacement Project**

We have replaced 204 out of an allocated 218 windows since July 1, 2003. We are on schedule to complete the scheduled 218 replacements before the end of the fiscal year. Throughout the remainder of the fiscal year, Association Carpenters will be focused on fence replacement, wall repair, sidewall, skylight issues and deck replacements.

Houses scheduled for replacement windows in the near term are units 10, and 150, and the west face of the clubhouse. On the list for next fiscal year are 146, 266, 194, and 296.

### **Ballot Response for revision of CCR's**

We have received 86 affirmative votes, to date, to approve the draft CCR's, ByLaws, and Water Company ByLaws. The Association needed 81, or a 2/3 majority affirmative vote to approve the revised governing documents. There were no nays, and 1 abstention.

### **Proforma Budget Packet 2004-05**

The Proforma budget packet was sent out on May 5, 2004. There were many disclosures, policy updates, and changes to the Davis Stirling Common Interest Development Act included in the packet. Homeowners are encouraged to read the packet and familiarize themselves with these changes.

### **SPA Heater Replacement**

On May 5, 2004 the SPA heater had an electrical malfunction, destroying the control panel along with other important sensing components. It was the recommendation of the manufacturer, and an independent technician to replace the heater ahead of schedule in the reserve plan, rather than try and repair it, and to use the old heater for replacement parts. This replacement cost the Association approximately \$1,456, out of cycle and many years ahead of schedule. The warranty period for this equipment is one year.

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

### **Well Number 4**

Well Number 4 is completed and we have received the project documents from Geoconsultants, Inc.

We have yet to put Well Number 4 on line. The well has been disinfected, and we continue to periodically pump and test the well. We have installed a backflow prevention system with blow off near the supply tank in order to bleed off stationary water in the feed line.

Management has been authorized to put Well 4 on line by the County Health Department, at our discretion, and will do so once we feel confident that the well is fully developed.

Protective fencing, wellhead painting and landscaping are our next priorities and should be completed over the next few months.

### **South Well Destruction**

Well Number 2 (South Well), is destroyed and we have received the project documents from Geoconsultants, Inc.

### **North Well Destruction**

Well Number 1 (North Well) is destroyed and we have received the project documents from Geoconsultants, Inc.

### **End of Report**

## **OLD BUSINESS**

### **Homeowner Request to Modify Dog Rules**

The Board discussed three options: 1) Leave the rule as is; 2) Allow homeowners and their guests or renters to have dogs; and 3) Allow homeowners' guests to bring their dog to the unit as long as the homeowner is present. After discussion, the Board M/S/C the third option for a trial period of one year with the caveat that the homeowner who is having a guest with a dog, must notify the office prior to the visit. Tom was directed to modify the rules to include this compromise.

### **ECC Recommendation to Change Homeowner Review Periods of Submitted ECC Requests**

Ellen Michaels reported that this was a tasking from the Board two meetings ago. The committee discussed the review period and recommends to the Board that the current policy of allowing neighboring homeowners 2-weeks to review submitted ECC applications and plans be modified to allow for a 3-week review period to accommodate those owners that do not get to the Dunes very often. After a lengthy discussion, the Board felt that the policy should not be modified, as they felt that 2-weeks was a sufficient amount of time for the review process. It was noted that the ECC could allow extensions on a case-by-case basis depending on the project. Homeowners requiring more time to get down and review a project could get an extension by calling Tom, who would pass any request on directly to the committee to get this information to the committee.

### **Review/Discussion of proposed 5-year budget 2005-2010**

Recommendations from Homeowners Regarding Modification to Two Tennis Courts:

The Board received several recommendations for the modification of the two tennis courts closest to the swimming pool (end courts). The recommendations include: basketball, shuffle board, bocceball, volleyball, and the construction of a playground. The Board noted that there is

only \$5K allocated for this project, which negates any type of grandiose modification(s). Furthermore, the modification(s) is not scheduled to occur until FY 2006-2007 at which time a homeowners survey can be conducted as to the type of modification that would be preferred.

A homeowner in the audience questioned the replacement/repair schedule for all six of our tennis courts. The schedule for the tennis courts replacement/repair is as follows:

2 Northern Courts (5 and 6), rebuild to original specifications	FY 2005-06
2 End Courts modified to other activities	FY 2006-07
2 Center Courts resurfaced with Sport Court	FY 2007-08

There was no further discussion on this topic at this meeting; however, the Board will discuss the topic again at the next Board meeting. Homeowner comments are welcome at any time between now and the next Board meeting.

## **NEW BUSINESS**

### **Homeowner Complaint regarding use of Garages for Storage**

A Member expressed concern that some homeowners are not parking their vehicles in their garages and are using their garages solely for storage or for other purposes. The concern is that there is limited outside parking space in the lots, which leads to overcrowding the parking areas if homeowners don't use their garage. After discussion, the Board instructed management to put a reminder in the Dunescape, (quarterly newsletter) strongly encouraging the use of garages, especially by those homeowners who rent their units, however, it was noted that the mandatory use of garage space for vehicles is not a rule at this time.

### **Elkhorn Slough Donation**

It was M/S/C to donate \$100 to the Elkhorn Slough Donation.

### **Nominating Committee**

The Mary Balgooyen appointed John Steinhart and Jim McFeeters to serve on the nominating committee to select a slate for the 2004-2005 term of office. Board approved nominations will be finalized at the next Board of Directors meeting.

## **WATER COMPANY BUSINESS**

Addressed in the Manager's Report

## **ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:15 a.m. The next Board meeting will be at 10:00 a.m. on July 24, 2004.

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

Respectfully Submitted,

//s//

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

### **EXECUTIVE SESSION**

Following the adjournment of the Board meeting, the Board held an executive session to discuss homeowner discipline.