

**COMBINED MEETING OF THE BOARDS OF DIRECTORS
MONTEREY DUNES COLONY ASSOCIATION
AND
MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION
June 11, 2005**

PRESENT

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

ABSENT

Ellen Michaels, Vice-President

WELCOME

Mary Jansing Balgooyen called the meeting to order at 10:00 AM, June 11, 2005 at the Monterey Dunes Colony Clubhouse.

MINUTES

The Board reviewed the minutes of the April 23, 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 April and May 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

John Gentry, Committee Chair, reported that the committee had met immediately prior to the Board meeting to review the first 11 months of FY 2004-2005. It is expected that MDCA will end the fiscal year with a small surplus in the Operating Fund due to lower worker's comp than was budgeted for. In addition, the Water Co. expenses appear to be in line with the FY 2004-2005 budgeted amounts. The next meeting of the Finance Committee will be on Friday, September 16, at 1:00 p.m. in order to review the FY 2004-2005 annual audit.

ENVIRONMENTAL CONTROL COMMITTEE (ECC) REPORT

Tom Bugary reported for Ellen Michaels, Committee Chair. Tom reported that the ECC had met on May 10, 2005, at the offices of Ellen Michaels Presents. Three items were presented to the Committee for approval.

- The owners of unit #188 submitted an application requesting an extensive remodel (extending their unit beyond their “footprint”). The committee approved the request as submitted.
- The owners of units #322 and #324 submitted an application requesting that parking stripes be painted in their parking areas. After discussion, the committee denied the request.
- The owners of unit #148 submitted an application requesting a custom brass replacement gate latch. The committee approved the request with the stipulation that the homeowners install and maintain the latch.

ADHOC TENNIS COURT COMMITTEE REPORT

Jeff Schwartz, Committee Chair, reported that the purpose of this committee was to research and make recommendations to the Board concerning possible conversions or modifications to the two tennis courts nearest the pool area. The current plan is for the two tennis courts on the north side of the complex to be covered with a sport court surface, while the two tennis courts in the middle will be rebuilt to original specifications.

After several meetings, researching materials and soliciting recommendations from homeowners, and meeting with venders, the committee suggests that the far court by the pool be made into a combination basketball and volleyball court with a *special sport court* playing surface. The near court by the pool will be a sport court putting green (a special artificial turf that sport court installs) and will have an area with a net for a small driving range. Jeff stated that the committee recommends looking into the possibility of building a Bocci Ball Court using in-house labor after the other surfaces are installed.

The estimated cost is around \$60-75K for completing both courts by the pool as recommended. We currently have around \$50-\$55K, therefore, the committee needs a little more time to consider how to bring the costs in line.

GENERAL MANAGER'S REPORT

Management Summary

Deck and Fence Replacements

We have replaced 23 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.

We are currently building a ramp system on the west side of unit 164 to accommodate an ADA access request. In order to comply with ADA specifications, we have had to reconstruct an area of the dunes to accommodate the required '1 to 12'- ramp incline. We will also provide ramp access from the parking area to the boardwalk leading to that unit.

We have completed all fence replacements for this fiscal year exceeding our estimated replacement schedule.

Window Replacement Project

We have replaced or reset 172 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.

Fumigation Warranty Work

Terminix was scheduled to fumigate Units 264-266-268 the week of June 6th. While tenting the house, crews discovered a nest of swallows and halted work per instructions from the Department of Agriculture. After researching all available options, I determined that it would be very difficult to obtain a removal permit and proceed with the tenting. I have instructed Terminix to pull off the job until the birds have vacated the nest.

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.

High Speed Internet Update

Karl VanLeer, owner of Redshift, the company that will be installing high-speed Internet access here at the Dunes, has adjusted his estimated installation date out to the middle of July due to complications with T1 capability on site. According to Mr.

VanLeer, SBC has to build in the T1 line, which was an unexpected delay in service. A roster of all interested homeowners has been given to Mr. VanLeer for contact purposes.

Clubhouse Changing Room Updates

The Association was budgeted \$10,000 to refurbish the two changing rooms at the clubhouse this fiscal year. After opening up the shower stalls in the men's room side of the building and finding out the true condition of the floor, drains, framing and walls, I now estimate closer to \$35,000, to complete the job. I had not initially planned on replacing the main floor tile, but only to acid wash and reseal the floor, but after finding that we were missing drains, and associated plumbing services, and that large sections of the main floor had rotted away under the tile, we had to remove the tile to make the necessary repairs to the floor. During these repairs, we found that the tile was glued directly to a fiberboard, which in many cases had become wet and was the reason the plywood sub floor had rotted away. We also replaced the carpet in the Sauna and installed a tile floor in the room with a drain system.

While working through the Planning Department for permits, the Association had to commit to \$6,200.00 in ADA refits around the common areas of the colony in order to obtain the permits.

Tennis Court Contract

Management is in the process of obtaining bids for replacing Tennis Courts 3 and 4, and removing Court #1.

2005-2006 Draft Proforma Budget

The 2005-2006 Proforma Operating Budget and Disclosure Packets for both the Association and the Water Company were sent to the members on May 13, 2005.

MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION

Water Conservation – Oriented Billing

During the April billing period, there were no units in either the Tier 2, or Tier 3 zones.

OLD BUSINESS

None.

NEW BUSINESS

Audit Proposals for MDCA and MDCMWC

The FY 2004-2005 audit proposals, for both the Water Company and MDCA, were approved as submitted.

Appoint Nominating Committee for 2005-2006 Term

Mary Jansing-Balgooyen appointed a Nominating Committee consisting of Dick Love, chair, and Jeff Schwartz to provide nominees for the 2005-2006 Term. A report from the Nominating Committee will be presented at the next Board meeting.

Homeowner Request for Reimbursement

A homeowner has requested, in writing, that he be reimbursed for the replacement of his main electrical circuit breaker, located on the outside of his house. After reviewing the letter and establishing the fact that this was an item the association was responsible for maintaining, the Board approved his request.

Ratify Association Assessment Collection Policy

It was M/S/C to ratify the updated Assessment Collection Policy, previously sent to the homeowners in their May disclosure packet. The Assessment Collection Policy was adjusted to reflect changes to the new CC&R's, approved by a vote of the members and recorded in 2004.

MDCA Defibrillator

It was recommended by a homeowner that we keep at least one defibrillator available on our maintenance vehicle. Tom noted that the vast majority of the MDCA staff have been CPR-certified and are pending first-aid training. The Board asked Tom to put this information in the next "Dunescape".

WATER COMPANY BUSINESS

Water Conservation Update for April

Addressed in the Manager's Report.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:30 a.m. The next Board meeting will be held via telephone conference on Thursday, July 28 at 3:00 p.m. The following Board meeting will be held on Saturday, September 17 at 10:00 a.m. in the Clubhouse. The Annual Homeowner's meeting and Barbeque will be on Saturday, October 22, starting at 10:00 a.m. in the Clubhouse.

FOR THE BOARD OF DIRECTORS:

Respectfully Submitted,

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

Treasurer's Report

April and May 2005

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

April 30, 2005 and May 31, 2005 account balances are:

	<u>April</u>	<u>May</u>
Union Bank Reserve	\$ 285,167.99	\$184,588.67
Union Bank Operating	\$ 115,030.96	\$153,386.04
Union Bank Investment Acct.	\$ 7,769.27	\$ 7,772.66
Community Bank Petty Cash	\$ 1,219.62	\$ 440.77
Union Bank Water Operating	\$ 18,824.53	\$ 19,639.85
Union Bank Water Reserve	\$ 68,907.79	\$ 64,734.67

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**