

**COMBINED MEETING OF THE BOARDS OF DIRECTORS  
MONTEREY DUNES COLONY ASSOCIATION  
AND  
MONTEREY DUNES COLONY MUTUAL WATER  
ASSOCIATION  
September 1, 2007**

**PRESENT**

Ellen Michaels, President  
Frank Williams, Vice President  
Marty Deggeller, Treasurer  
George Maciag, Director  
Jeff Schwartz, Director  
Tom Bugary, Secretary and General Manager

**ABSENT**

None

**WELCOME**

Ellen Michaels called the meeting to order at 10:00 AM, September 1, 2007 at the Monterey Dunes Colony Clubhouse.

**MINUTES**

The Board reviewed the minutes of the July 21, 2007 Directors meeting. It was M/S/C to approve the minutes as written.

**TREASURER'S REPORT**

Marty Deggeller presented his written report for July 2007. This report is attached to and made part of these minutes. Marty pointed out that the large reserve fund balance was due, in large part, to annual reserve assessments. Marty also reported 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.

**ENVIRONMENTAL CONTROL COMMITTEE (ECC)**

Ted Swanson, ECC member, gave a verbal report for Mary Jansing Balgooyen, chair of the ECC. Ted reported that the ECC had a teleconference on August 20, 2007, to discuss a request from #292 for an oceanside deck and a landside deck. Their request was approved with stipulations.

## **GENERAL MANAGERS REPORT**

### **Deck and Fence Replacements**

This report covers the July 1, 2007 through June 30, 2008 fiscal year. Association carpenters have completed 1 entry deck at unit 314. There are 15 decks scheduled for replacement this year.

The Association has replaced courtyard fences at units 132, 134, 252, 314 and a partial replacement at 254. Association staff has also replaced damaged fencing at 288 and 290 and billed the insurance company for the replacement. Association carpenters are scheduled to replace up to 1000 linear feet of fencing with associated gates and hardware this year @ approximately \$45.00 - \$55.00 linear foot.

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

The Association has completed 7 window replacements since July 1<sup>st</sup> and is scheduled to replace 145 windows in the 2007-2008 budget year. Vinyl warranty replacement windows will significantly increase these numbers. Defective vinyl windows are replaced by Milgard with their fiberglass product while the labor to replace these windows is heavily subsidized by Milgard. Association carpenters have replaced 9 defective vinyl windows this fiscal year. Management continues to repair rotted framing and deck tie-ins as they are identified during window and deck replacements.

### **Re-siding**

Completed since July 1, 2007: Units 132, 312, 314 and 250.

### **Electrical Panel Replacements**

I am scheduling an inspection for this fall to determine how many Federal Pacific electric panels in the colony have been replaced, and how many remain to be replaced. I have statistics from one of the many electricians working on the property.

David's Electric:

Complete – 106, 140, 144, 158, 162, 180, 182, 184, 194, 214, 222, 224, 228, 232, 246, 270, 288, 294 and 326.

Pending – 110, 118, 120, 124, 126, 146, 150, 160, 170, 190, 200, 212, 218, 254, 256, 262, 266, 276, 296, 298, 324, 328, 330, 334.

Pending Contract Signatures – 142, 198, 260, 280 and 284.

David's Electric is also having permits finalized as he completes a group of panels.

I do not have numbers from the other electricians. I know of some units that are complete and will have a better idea of how far along we are after I finish the inspection this fall.

### **Fire Damage Report for Garages 288-290-292 (Update)**

1. July 2, 2007      *Fire started around 1:15 AM*
2. July 3, 2007      *Fire Chief Roberson and North County Fire Department start to investigate the burn site.*
3. July 5, 2007      *Kirt Murotsune, Tech Specialist from Travelers Insurance visited the site and called in his own investigator to work with the County Fire Department. He also measured the site for initial estimates for payment of claim.*
4. July 13, 2007      *Site cleared for cleanup by Fire Department and Insurance Investigator. Per a phone conversation with the insurance investigator, the fire will be ruled an accident. Site cleared for cleanup.*
5. July 16, 2007      *Association crews start cleanup of site.*
6. July 16, 2007      *Smith's Tree Service, arborist Brian Jacobson, inspects damaged trees at site of fire.*
7. *Association crews remove damaged trees.*
8. *Insurance Company sends preliminary payment of \$31,772 based on insurance cost estimates.*

### **Since Last Report:**

9. July 24, 2007      *Kirt Murotsune, Tech Specialist from Travelers Insurance re-visits site and inspects pad, and re-measures surface area after debris removal.*
10. August 1, 2007, insurance company sends additional payment of \$31,640 based on additional estimates.
11. August 3, 2007, Received approval from insurance company to hire Richard Rhodes Architect at an estimated cost of \$13,200.00.
12. As a matter of record, MDCA has billed the Insurance Company for:
  - \$3,360 for tree removal
  - \$2,239 for fence replacement
  - \$7,929 for burn site cleanup.

### **Insurance Breakdown 2007-2008**

As of the last Board meeting the Board did not have final quotes on Directors and Officers and Earthquake Insurance Policies. Final breakdown for all Association Insurance Policies for the 2007-2008 insurance year are:

Property and General Liability – Premium	\$32,967.00 –	(Coverage - \$27,048,169.00).
Auto -	\$3,559.00 –	(Coverage - \$1,000,000.00).
Umbrella -	\$8,968.00 –	(Coverage of \$10,000,000.00).
Crime -	\$1,146.00 –	(Coverage - \$500,000.00).
Directors and Officers -	\$2,915.00 –	(Coverage - \$3,000,000.00).
Boiler and Machinery -	\$558.00 –	(Coverage - \$1,000,000.00).
DIC – Earthquake -	\$50,064.00 –	(Coverage - \$5,000,000.00 and \$5,000,000.00 Excess Line).
Flood -	\$64,462.00 –	(Coverage – \$750,000.00 per Bld).

**Total Premiums:      \$164,639.00**

### **Replacement of Company Truck**

The 1993 Toyota was no longer serviceable and a continuous safety hazard to operate. I have junked the truck and am in the process of purchasing another truck which is budgeted this fiscal year. We have \$16,883.00 budgeted towards a new/used replacement truck. I would like to purchase a new Dodge Truck for \$18,250.00, a difference of \$1,367.00. The new truck would feature a \$4,000 factory rebate, (already deducted), 3-year bumper-to-bumper maintenance warranty, and a Lifetime Engine and Transmission warranty. If approved, I can easily make up the difference in the next couple of years on vehicle maintenance and repairs. Action Item.

*The Board M/S/C approval to purchase a new truck for \$18,250.00.*

### **Graffiti in Hot Tub area**

From time to time the association experiences graffiti and vandalism in the common area. Over the past month there have been two instances where association signage has been defaced.

### **Fireplace Inspections**

Cypress Chimney Sweeps has completed 60 of the 120 chimney inspections for the 2007 calendar year.

18 of 60 units red-tagged:

- 15 for chimney caps – (all replaced).
- 1 for hearth damage and spark screen – (completed).
- 2 for contractor evaluation (remain red-tagged).

### **Warranty Fumigation**

Over the past 2 months, Terminix tented and fumigated units 252, 254, 256, 318, 320, 322 and garages at units 252, 258, 260 and 262 under our extended warranty contract.

Units (132, 134, 136), (246, 248, 250), (312, 314, 316), (324, 326, 328), (330, 332 and 334) are pending fumigation re-treatment. Homeowners will be notified once we receive available dates for fumigation from the Salinas Terminix office. We recently had to cancel one scheduled re-fumigation because swallows still occupied a nest in the eaves of the building. The swallows that occupy the buildings each year are endangered and protected by federal law. Once the birds establish a nest, we cannot disturb the nest until they complete the cycle and vacate the nest for the year. Terminix has committed to one refumigation per month. Our contract with Terminix states that they must re-treat a building within six months of identifying a building as being re-infested. We continue to monitor the re-treatment process to insure warranty compliance.

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

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

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

## **OLD BUSINESS**

None

## **NEW BUSINESS**

### **Flood Insurance for Common Buildings**

The committee discussed insurance for the clubhouse, maintenance shop, and other small common buildings. After a review of the different options for flood insurance, the Board elected to appoint an ad hoc insurance committee to study the matter. Ellen appointed Marty Deggeller as chair and Mary Jansing Balgooyen as a member. Tom Bugary was appointed as a non-voting member and secretary and Jeff Kane, our insurance broker, was asked to participate as a consultant. The committee was asked to give recommendations to the board at the next directors meeting.

### **Contractor/Vendor Insurance**

After a discussion concerning contractor insurance requirements, Ellen asked that the same committee research contractor insurance requirements and associated risks, and to give recommendations to the board at the next directors meeting.

### **Guests Entering the Property with Trailers**

Tom informed the Board that there have been several recent problems with rentals where owners, or their agents, have not requested prior approval from the association for their guests to park or store trailers, boats or campers on the property. The guests show up and are expecting to be able to unload and park their recreational vehicle in the overflow parking area. If the guests are denied parking on the property for any reason, they frequently become irritated and take out their frustrations on the administrative office, especially if they cannot reach their respective rental agency staff after hours.

After discussion, the board instructed Tom to continue with the process of citing those homeowners who have guests who violate association parking rules. In addition, Tom will work with and the rental agents concerning the proper parking request procedures and try to establish a point of contact for rental issues after hours.

### **Sauna Access Rule Revisions/Ratification**

The MDCA Rules and Schedule of Fines were reviewed by the board with the updated section on the use of the Sauna. The board M/S/C the ratification of the update. A copy of the updated rules will be sent to all homeowners.

### **Imposition of Lien on Homeowner Section 1367.1(6)(c)(3)**

As required by the Davis Stirling Common Interest Development Act, the Board voted unanimously to impose a lien on unit 242 for nonpayment of monthly assessments, as well as the 2007 annual reserve assessment. The board also agreed that Marty Deggeller, Treasurer, would

personally call the homeowner to find out if the association could resolve the situation prior to imposing a lien on their property.

### **Request for ADA Access for Common Facilities**

A homeowner has requested that the bocce ball court be made ADA accessible. After discussion, the board requested that Tom research a plan for a temporary access which could be removed and stored when not in use. Tom stated that there might be an exception to the 12 to 1 rule for temporary facilities such as a quick ramp, but would have to research the issue with the county building department.

### **Speaker Series**

George Maciag, stated that he would like to begin a program where every few months speakers would come to the association and address various topics of interest to the members present at the directors meeting in an informative and social setting. George offered to take the lead and would look for a speaker willing to address an area of interest in the near future. The board agreed with George's proposal.

### **WATER COMPANY BUSINESS**

Addressed in the Manager's Report.

### **ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:30 a.m. The next meeting will be the Annual Homeowners Meeting on October 20, 2007 at 10:00 a.m. followed by a Barbeque at 12:30 p.m.

### **EXECUTIVE SESSION**

Hearings on waiving 2 late fees for assessments.

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

//s//

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

## **Treasurer's Report JULY**

This report covers our fiscal year budget status through July 31, 2007.

Account Balances as of July 31, 2007 are:

	<u>July</u>
Union Bank Reserve	\$631,371.87
Union Bank Operating	\$ 67,173.24
Union Bank Investment Acct	\$ 7,893.66
Community Bank Petty Cash	\$ 1,134.59
Union Bank Water Operating	\$ 21,077.24
Union Bank Water Reserve	\$ 78,301.45

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