

**MINUTES OF THE ANNUAL MEETING OF MEMBERS
OF
THE MONTEREY DUNES COLONY ASSOCIATION
AND
MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION**

October 20, 2018

PRESENT

Bill McGowan, President
George Maciag, Vice-President
Allen Rudolph, Treasurer
Todd Davis, Director
Biff Jelavich, Director
Tom Bugary, Secretary and General Manager

ABSENT

None

WELCOME

The combined Annual Meeting of the Monterey Dunes Colony Association and the Monterey Dunes Colony Mutual Water Association was called to order by Bill McGowan, President, at 10:00 A.M., Saturday, October 20, 2018 at the Monterey Dunes Colony Clubhouse, 195 Monterey Dunes Way, Moss Landing, CA 95039. Bill stated that there will be an organizational meeting of the new board members immediately following the current meeting.

HOMEOWNER INTRODUCTIONS

Homeowners present at the meeting introduced themselves.

PRESIDENT'S REPORT

Bill McGowan began his report by stating that we had over 100 people signed up to attend the BBQ today at noon – a record number of attendees. Bill stated that the board is committed to protecting homeowners' investments and increasing their property value to provide a return comparable to other real estate investments across the state; over the last year, Bill said that the board had been successful in that endeavor; so much so that we have nine new homeowners at the Colony in 2018 alone.

We have had two years of pretty strong winters; El Nino has brought us some surprises. Last year, we lost 17 trees and, as you can see, that is a significant percentage of the total number of trees we have. Trees knocked down fences; roofs needed repairs; generally staff spent a lot of time cutting up firewood; we had significant dune erosion - even though the dunes change every year (because of the sand coming down from the Salinas River and moving north to rebuild the dunes) – causing

several access points to our beach to be roped off, the beach has since filled in and most access points are open. During the last year, we have engaged some geologists and engineers to research erosion on our beach over the last 30 years in order to determine an erosion pattern for the next 30 years. The erosion has been quite pronounced and the beach has been reduced in size; but, by being informed, we can be proactive when dealing with the regulatory agencies and can advocate for repair of the dunes and whatever measures are necessary to preserve the dunes.

We have begun our re-roofing project of all residences and garages – a \$3 Million project over the course of time, i.e. 3-4 residences and their associated garages per year. We are also replacing the wood shingles – a haven for termites – with a composition material that is very similar in appearance to wood shakes that will be termite resistant and also resistant to weathering.

We established the concierge service within the last few years and it has made a large difference at the front gate. Not only are they welcoming to homeowners and guests, they help remind/inform them of the rules and the restrictions that we have. These efforts have been very successful in reducing the number of rule violations by about 95%.

Resurfacing of the road is almost complete. The resurfacing is almost to Monterey Dunes Way and our access road. The project includes repainting of the railing along our access road and a drainage project across from our gate house leading down to Scattini's property. This project included 148 tons of asphalt, 600 tons of chip seal, and 6000 gallons of oil.

Bill thanked all the employees from security to front gate employees to maintenance to administration. He also thanked various committees:

1. The clubhouse remodel committee has a \$30K budget to modernize the clubhouse and it is a definite challenge to prioritize all the various improvements that could be made.
2. The internet committee that is working with various ISP's in order to bring the most speedy and efficient internet available to the Colony.
3. The energy committee that worked with P.G.&E. to get the Colony charged at the correct rate reducing electric bills at the Colony.

All of this has happened with no change to our monthly assessments in the last few years and under the watch of the finance committee

During March 2018, our meeting fell on St. Patrick's Day and we served ruben sandwiches and green beer. At our March 2019 meeting, even though it will not be on St. Patrick's Day, we will offer ruben sandwiches and green beer.

INTRODUCTION OF DIRECTORS, 2018-2019 TERM

Bill McGowan announced that the 2018-2019 Board of Directors were voted in by acclamation. However, before he introduced the new directors, Bill wanted to give the outgoing director, George Maciag, the opportunity to say a few words. George began by saying that he's been on the board

for three years and found it very fulfilling. He said you get some arrows once in a while, but you get a lot of bouquets as well. The directors and officers are:

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| 1) Bill McGowan – Incumbent Director | 4) Allen Rudolph – Incumbent Director |
| 2) Todd Davis – Incumbent Director | 5) Rick Crowley – Freshman Director |
| 3) Biff Jelavich – Incumbent Director | 6) Tom Bugary – Officer (non-voting) |

MEMBER BUSINESS

IRS Revenue Ruling 70-604

Bill read aloud a mandatory IRS Revenue Ruling (70-604) pertaining to the current fiscal year. It was M/S/C unanimously to approve the resolution, which states that any excess revenue generated by the Association in the current fiscal year is applied to the following fiscal year expenses.

ADJOURNMENT

With no further business, Bill adjourned the meeting at 11:20 A.M. and announced that the annual homeowner's barbeque will follow this meeting at 12:00 P.M. The next Board of Directors meeting will be on November 17, 2018.