

**Kula Nani Estates Community Association
Minutes of Board of Directors Meeting 07-09-2015**

DRAFT
Approved 09-04-2015

The meeting was called to order at 4:05 p.m. by President Jamie Woodburn at Brad Dugan's home. Directors present: Jamie Woodburn, Brad Dugan, Robert Susinetti, and Brian Jenkins; Guest present: Gerri Fleming as recording secretary.

Ongoing Business:

1. AT&T: Jenkins reported that the AT&T cell site lease insurance certificate is now in accordance with the contract. Also AT&T has been billed their annual portion of maintenance fees for the cell site per the contract.
2. Accounting:
3. (a) Dugan questioned what the protocol for collection of past-due accounts is. Jenkins recommended a granular analysis of invoices/statements for past-due accounts which can be provided by Missy. He will follow up with Missy to furnish the information to Dugan as needed.
(b) Dugan advised that there's \$326,410 in the money market reserve account, and because of the FDIC limit of \$250,000, raised the question of whether some of this money should be moved into another type of account with a better interest rate. Dugan will research the options. In the meantime the funds will remain as is.
4. Audit: The last audit was prepared for 2012. Jenkins advised that since there are no statutes requiring an annual audit, it would be the board's fiduciary duty to have one performed every two to three years. The cost of the last audit was approximately \$1,700. In the future the board will make a year-to-year determination on whether an audit is warranted. A motion was brought by Woodburn to order an audit for 2014, seconded by Susinetti, and approved and accepted unanimously.
5. Annual Meeting:
(a) Susinetti offered to hold the meeting at his home on September 12, 2015 at 3:00 p.m. with sign-in at 2:45 p.m. Light refreshments will be offered.
(b) Vote for two board vacancies.
6. Delinquent Accounts: There are two seriously delinquent accounts and because of their large amounts due, and non-response to written notices and phone calls, Jenkins recommended placing these accounts with attorney Steve Pike who will file judgements and garnishments on Kula Nani's behalf, including attorney and court fees. Missy will furnish accounting information to Pike. Dugan proposed a motion to hire Steve Pike, with Missy and Jenkins helping to facilitate the lawsuits. The motion was seconded by Jenkins and approved and accepted unanimously.
7. 25% "Dugan" Tax: Should this tax still be collected or can it be removed because of the large amount of money now in the capital reserve account? After some discussion Jenkins suggested this item be put on the annual meeting agenda for discussion and vote by the homeowners. All board members agreed.
8. Reserve Study: Woodburn stated the reserve study needs to be updated/adjusted. Dugan said a reserve study committee was formed in 2013 and committee member Bart Santiago prepared a study that can be modulated to reflect inflation rates and line items that can be adjusted. Woodburn recommended that a new committee (Dugan, Woodburn, and Susinetti) review and revise the reserve study and make adjustments as needed for presentation at the annual meeting.
9. Review of Vendor Contracts: Woodburn will research vendors who could share the workload of maintaining the water system which includes water testing, electrical, and general equipment maintenance. He will report back to the board at the next meeting. Other vendor contracts will be discussed at the next board meeting.

New Business:

1. Website: Susinetti and Jenkins are pursuing. It will include a homeowner directory, minutes, CC&Rs, and other pertinent information relative to the association. They will contact Gil Brooks for assistance and set-up costs.
2. Ululani Flapper Valve: The flapper valve (galvanized) at the end of Ululani needs to be replaced. Woodburn will follow up with a contractor for job cost.

There being no further business the meeting was adjourned at 5:00 p.m. by President Woodburn.

Respectfully submitted,

Robert Susinetti, Board Secretary