

**KULA NANI ESTATES COMMUNITY ASSOCIATION
2015 MINUTES OF ANNUAL MEETING**

**September 12, 2015
Robert & Marianne Susinetti's Residence
70 Ululani St., Kula, HI 96790**

CALL TO ORDER:

The 2015 Annual Kula Nani Estates Community Association meeting was called to order by President Woodburn at 3:05 p.m.

ATTENDANCE:

Board Members/Officers Present: Jamie Woodburn, President; Robert Susinetti, Secretary; Brad Dugan, Treasurer; Brian Jenkins, Director.

Recording Secretary: Gerri Fleming

Homeowners (or representatives) Present: Baillie (Lot 10); Heiman/Smith (Lot 11); Coffin (Lot 13); Suwanjindar (Lot 16); Susinetti (Lot 17); Tomoso (Lot 20); Jenkins (Lot 21); Liu (Lot 22); Bouchakian/Burg (Lot 28); Pierce (Lot 29); Dugan (Lot 33); Santiago (Lot 34); Huck (Lot 37); Woodburn (Lot 38).

Homeowners by Proxy: Desmarais (Lot 1); Franco (Lot 2); Mikolay/Albert (Lot 4); Riley (Lot 9); Danko (Lot 12); Peschke (Lot 18); Ardoin (Lot 23); McClintock (Lot 25); DenHartog (Lot 30); Hoerl (Lot 31); Sena (Lot 35).

DETERMINATION OF A QUORUM:

A quorum was established with 63% of the homeowners either present or by proxy.

TAX ROLLOVER RESOLUTION:

President Woodburn read aloud the Tax Rollover Resolution: "RESOLVED, by the Kula Nani Estates Community Association that the amount by which members' assessments of December 31, 2015 exceed the total expenses of the Association for the purpose of managing, operating, maintaining and replacing the common elements of the property, shall be applied against the January 1, 2016 through December 31, 2016 operating expenses."

***A motion to approve the Tax Rollover Resolution was made by Brian Jenkins, seconded by Diane Woodburn, and the motion was verbally approved and accepted unanimously.*

CERTIFICATION OF MAILING:

President Woodburn read aloud the Certificate of Mailing and certified that the notice was sent to all homeowners on August 12, 2015 which will be made a part of the Association's annual meeting file.

APPROVAL OF THE 2014 ANNUAL MEETING MINUTES:

The Draft Minutes of the Annual Meeting of September 27, 2014 were previously mailed to all homeowners. Woodburn asked for any corrections and/or additions. None were made.

***A motion to approve the Draft 2014 Minutes was made by Brian Jenkins, and seconded by Anthony Tomoso. The motion was verbally approved and accepted unanimously.*

REPORTS OF THE BOARD OF DIRECTORS/OFFICERS:

President's Report: Woodburn read his report to attendees.

"Our Kula Nani Homeowner's Association is charged with the responsibility to operate, manage and maintain our water storage and distribution system. It is that entity that brings us together as a community.

Some owners recognize the unique value and importance of that aspect of our community and have chosen to work to improve the system and all that drives it. Far too many others appear to have little or no interest and seem to operate from the standpoint that our water system is the same as the County's and therefore there is nothing they should or have to do.

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One of our former residents and friend, Marion Ardoin was the champion of our water system and almost single handedly knew and maintained what is now perhaps the finest private water system in the County if not the State. His tireless efforts to maintain, improve and streamline how our system works was all done without the fanfare or need for recognition. He did what he did because he loved his work and was dedicated to making his (our) system the best it could be. His efforts were appreciated and for those of us who had the pleasure and opportunity to work with him his presence is missed. His unique, sometimes gruff Cajun style and I can do it attitude got us through many hard times but at the same time has created a void in the fabric of our community. His message was *-By way of example - get involved, do something, contribute whatever you can at whatever level to help make our community a better place.*” And it is that message I hope to convey to the members. The work of the board of directors is not glamorous. But as a self managed association the burden to get the work done falls upon all of us, not just board members. We have achieved quite a bit over the past year and have some challenging goals for the upcoming year. Review the list, read the minutes, find something you can help with and reach out and make a contribution - **GET INVOLVED.**

2014-15 work tasks completed:

- Water system, tanks, pressure reduction valves, all overhauled, cleaned and inspected.
- The standpipe/hydrant conversion was completed.
- Ongoing efforts to make our management and operational system more transparent.
- Lower tank enclosure completely cleaned of debris and overgrowth.
- Lower tank overflow system upgraded and cleaned.
- Reserve funds maintained to a point that warrants the removal of the “Dugan Tax”
- Reserve study analyzed, updated and modulations adjusted to allow for reduction in fees
- Work tasks for 2015-16 identified

2015-16 work tasks:

- Work to maximize mechanical and systemic maintenance of our system.
- Separate electrical and mechanical maintenance/operations and have preventative maintenance contracts that address each component.
- Upgrade leaking fixtures in the pump house
- Upgrade, replace and repair discharge valve at end of line on Ululani
- Develop a website to address and facilitate information distribution
- Review maintenance/painting schedule for upper and lower tanks.
- Engage community to clean and maintain all awais and culverts.
- Continue efforts to update and modify reserve study.
- Schedule community work day to clean upper tank easement.
- Investigate option/feasibility of solar PV to operate water pumps.
- Pursue additional cell sites for upper tank

Continue to research feasibility of ground based tank(s).”

Woodburn indicated that he isn't sure how much of the 2015-2016 work tasks will get done, however the Board will try to fulfill these goals as best they can.

Reserve Fees.

One of the objectives of the Board is to reduce the fees for homeowners which can be done by analyzing the reserve study and making appropriate changes. Bart Santiago re-modulated the reserve study for the Board's use. The plan is to reduce the reserve fee from \$145 to \$100, and to remove the 25% Dugan Tax.

Dugan Tax.

In early 2000 the upper and lower tanks were painted both inside and out according to engineer specifications which depleted all the money in the bank account. To be fiscally responsible the Board instituted a 40% surcharge on the cost of the water and the cost of the electricity to pump the water to generate revenue. This tax has become antiquated and should be removed. Also, this surcharge was not included in the original reserve study, which is approximately \$500 collected per month, as well as cell-site revenue of approximately \$18,000 annually.

Community Volunteers.

Volunteers are needed for a community work day at the upper tank easement, cleaning of culverts and awais, as well as other tasks. Contact a Board Member for more information.

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Treasurer's Report:

The report was furnished to homeowners previously.

Hydrants & PRV Replacements.

Dugan explained that the completion of the conversion of the old standpipes to new fire hydrants and the rebuilding of the two pressure reducing valves ("PRV") in 2015 brings the maintenance of the water system ahead of schedule.

Collections.

Board is working on protocol for collections and has contracted with attorney Shannon Sheldon of McKeon Sheldon Mehling to collect the two delinquent accounts.

CC&Rs and By-Laws.

Tom Pierce asked if the CC&Rs can be amended to include an automatic lien placed on delinquent properties for foreclosure purposes without having to obtain a judgment, and if an amendment could be put on the agenda for the next annual meeting. Jenkins stated that the issue is to collect the outstanding amounts with garnishments and judgments rather than tying them to liens. The Board will look over the CC&Rs and By-Laws for antiquated issues and updating.

Operating and Reserve Accounts.

Bart Santiago is concerned about the co-mingling of the operating and reserve accounts in the profit & loss sheets. More details are needed to identify specific amounts charged to each account. Jenkins said this issue will be included in the Board's list of tasks.

ELECTION OF BOARD MEMBERS:

There are two 2-year vacancies: Susinetti is retiring, and another seat is vacant. Eileen Diana Burg submitted a "Statement of Interest in Serving" form and Angelina Coffin volunteered; there were no further nominations.

***A motion to elect Burg and Coffin as new board members was made by Dugan, seconded by Susinetti. The motion was verbally approved and accepted unanimously.*

An organizational meeting to elect officers will be held at the next Board Meeting.

Jenkins offered a thank you to Susinetti for his many of years of work on the Board, and homeowners concurred.

INTRODUCTION OF NEW HOMEOWNERS:

Woodburn welcomed five new homeowners to the community:

1. Lot 3 – Keith Epstein & Kimberly Bowley
2. Lot 11 – Brian Smith & Kelly Heiman-Smith
3. Lot 16 – Ed & Sarah Suwanjindar
4. Lot 25 – Robert & Lisa McClintock
5. Lot 28 – Gay Bouchakian & Eileen Diana Burg

OLD BUSINESS:

1. Auwais and Culverts.

Dugan showed homeowners a plot map of the subdivision that details all the auwais and culverts. After the meeting he can explain how these auwais and culverts are supposed to flow.

2. Non-Potable Agricultural Water Line.

Dugan talked with a State inspector who said the next phase will start before the end of this year and will run down and end at the cul de sac on Ululani Street. The road will be dug up and repaved. Woodburn was told the waterline will start out as non-potable and there will be no stub-outs for laterals until after installation of the main line.

3. Cell-Site Revenue.

Susinetti will continue to pursue companies interested in possibly securing a site on the upper tank.

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4. Feral Chickens.

After discussion between homeowners Woodburn reminded everyone that the Board is charged with water and its distribution, storage and maintenance, and cannot sanction an eradication program. Other community problems or issues outside of the water system should be dealt with by and/or between homeowners.

NEW BUSINESS:

1. Maintenance and Capital Reserve Study.

*** Jenkins made a motion that the Board of Directors be authorized to overhaul and revamp the maintenance and capital reserve study, and the homeowners' current monthly bills whether it's maintenance fee, capital reserve fee, capital reserve study, Dugan tax, and to allocate what belongs in maintenance costs and what belongs in capital reserve costs and to do it responsibly, and in a manner that there does not need to be an assessment in the event of any maintenance issues that may arise in the future.*

***Dugan seconded the motion, and it was verbally approved and accepted unanimously.*

All homeowners will be notified if there is a reduction in the reserve fee.

2. Contracts for maintaining the water system.

The Board will be dividing work on the system into two branches (i) electrical and telemetry, and (ii) pumps and mechanical, and a different contractor to deal with each branch which should make it more cost-effective. The goal is to have a preventative maintenance program in place.

3. Solar Power.

Purpose is to reduce the cost of electricity to pump the water. There may not be sufficient area within the water tank contained site but Woodburn will contact solar companies for feasibility. Also the easement at the lower tank is very specific and may not allow for anything other than utilities. Another solution would be for the community to come together as one in order to get ag water rates from the County. The cost for homeowners is \$9 to \$10 per thousand gallons of water and electricity as compared to approximately \$1 per thousand gallons for ag water not including electricity.

4. Kula Nani Website.

Susinetti advised he and Tom Pierce will continue to work on developing the new website.

5. Kula Nani "Next Door" Website.

This website keeps homeowners apprised of what's happening in the community and elsewhere through members' posts. An invitation to join will be sent to homeowners by Sarah Suwanjindar. This could dovetail with the official Kula Nani website once it's online.

DATE OF NEXT ANNUAL MEETING:

The 2016 annual meeting is tentatively set for September 10th.

ADJOURNMENT:

President Woodburn adjourned the meeting at 4:05 p.m. and thanked everyone for attending.

Respectfully submitted,

Gerri Fleming,
Recording Secretary

Approved for Distribution by:

Robert Susinetti, Board Secretary
Date: 09-25-2015