

**KULA NANI ESTATES COMMUNITY ASSOCIATION
2016 MINUTES OF ANNUAL MEETING**

**September 10, 2016
Robert & Marianne Susinetti's Residence
70 Ululani Street, Kula, HI 96790**

CALL TO ORDER:

The 2016 Kula Nani Estates Community Association Annual Meeting was called to order by President Woodburn at 3:06 p.m.

ATTENDANCE:

Board Members/Officers Present: Jamie Woodburn, President; John B. Dugan, Secretary-Treasurer; Brian Jenkins, Director.

Board Members/Officers Absent: Eileen Diana Burg, Vice-President; Angelina Coffin, Director.

Homeowners (or representatives) Present: Baillie (Lot 10); Heiman/Smith (Lot 11); Danko (Lot 12); Kulesa (Lot 14); Susinetti (Lot 17); Jenkins (Lot 21); Liu (Lot 22); Dugan (Lot 33); Santiago (Lot 34); Huck (Lot 37); Woodburn (Lot 38).

Homeowners by Proxy: Desmarais (Lot 1); Mikolay (Lot 4); Troy (Lot 5); Riley (Lot 9); Suwanjindar (Lot 16); Peschke (Lot 18); Tomoso (Lot 20); Bouchakian/Burg (Lot 28); DenHartog (Lot 30); Hoerl (Lot 31); Lum (Lot 32); Mailhiot (Lot 36).

Recording Secretary: Gerri Fleming

DETERMINATION OF A QUORUM:

A quorum was established with 60% 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, 2016 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, 2017 through December 31, 2017 operating expenses."

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

CERTIFICATION OF MAILING:

President Woodburn read aloud the Certificate of Mailing and Secretary-Treasurer Dugan certified that the notice was mailed and/or hand-delivered to all homeowners on August 11, 2016 which will be made a part of the Association's annual meeting file.

APPROVAL OF THE 2015 ANNUAL MEETING MINUTES:

The Draft Minutes of the Annual Meeting of September 12, 2015 were previously mailed to all homeowners. President Woodburn asked for any corrections, additions, and/or discussion. None were made.

***** A motion to approve the Draft 2015 Minutes was made by Valerie Kulesa, and seconded by Brian Smith. The motion was verbally approved and accepted unanimously.***

REPORTS OF THE BOARD OF DIRECTORS/OFFICERS:

President's Report:

"Welcome to Kula Nani's Homeowner's Association Annual Meeting. We gather each year to review and discuss items and issues that impact our immediate community. The board is the body elected by the owners and charged with the responsibility to manage the affairs of the community. However, community involvement is not limited or restricted to board members only. Owner involvement and interaction with the board would be a welcome change and could serve to lighten the workload currently performed by a very small number of homeowners. Our water system is the entity that requires our need for an association, and each owner has the inherent right and responsibility to contribute in whatever capacity he or she can to assist in the operation and maintenance of that system. There is a lot of work to be done and the more people that share in that work load, the easier it will be on everyone involved. Small working groups can be formed to work with the board to research options, recommend action items and directions, and search out resources that can provide the work we are going to need to improve and maintain our system.

I'd like to thank the board for their support and for taking a proactive role in working to make Kula Nani a better place to live. I'd also like to thank Geri Fleming for her time and energy to keep the board organized and moving forward. Her involvement has been critical to the work of the board and to the benefit of the property owners.

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2015-16 work tasks completed:

All hydrant bases completed with cement foundations.

The Dugan Tax was eliminated and reserve fees reduced.

Consultants retained to help identify and schedule repair work at the lower pump house. Electrical demands provided to PV consultants to examine feasibility of PV for pumping needs. Work initiated to develop a website for our community.

2016-17 work tasks:

Prepare and present collection protocol for membership approval for delinquent accounts. Solicit competitive bids to address painting and maintenance of our water tanks.

Determine if PV is a feasible option and solicit bids.

Continue to update and modify reserve study.

Continue efforts to solicit additional cell sites for the upper tank.

Schedule repair work with our water system mechanical maintenance contractor to replace discharge valve at the end of Ululani, and to schedule repairs at the pump house for leaky fixtures.

Continue efforts to engage community in cleaning and maintaining all the auwais.”

President Woodburn reiterated that the work tasks continue solely for the water system and the Board’s obligation to maintain, repair, and replace the system including all infrastructure in order to keep it in good working order. It’s critical that the pumps be in operational condition, that there is a back-up pump, that the tanks are cared for, that the pressure reduction valves are in good working order, and to have people in place to assist the Board with these tasks.

*The Board has recruited Stephen Nikaido to help with the mechanical issues and Chris Sutherland to help with the electronic issues, and whatever falls between those categories are handled by Board Members. He requested that if any homeowner drives by the lower tank and sees water on the ground or the red light flashing at the pumphouse please let a Board Member know. Dugan has been the point man for problems needing attention.

*Requests were put out to solar companies to determine if photo voltaic would be beneficial at the lower tank pumphouse, and if so how to accommodate the number of panels that will be needed to make the system work. The net-net opportunities are no longer in place so it wouldn’t make sense to create more electricity than can be used therefore making sizing of the system a critical element. The probable recommendation will be to have a structure that spans the footprint of the pumphouse without blocking the skylights so as not to impede the roof if the back-up pump needs to be removed. Also, there has to be enough clearance around the outside pump if it has to be removed from the ground.

*Some of the items that were on last year’s work task list still need to be done such as replacing the valve at the end of Ululani.

*The hydrants and concrete bases are complete thanks to Dugan. Now the Board can decide how to modify the reserve study.

Revisions to the reserve study are on-going in order to determine whether the Association is collecting enough money to satisfy its annual needs and future items.

*Water Tanks: The most critical issue now is determining whether the tanks need to be repaired and re-spotted again in early 2017 which is done every other year for approximately \$25,000 or if a complete repainting is required. The Board would like to keep the biennial protocol in place for as long as possible before having to do a complete repainting at the cost of approximately \$140,000. The last repainting was done 15 years ago and cost \$120,000. Technology and paint products are improving with time so the best scenario would be to delay repainting until absolutely necessary. The Board is searching for local companies who are willing to give competitive bids on the work. Another option would be to remove the elevated upper tank and replace with a ground-based tank, however more research is needed. Woodburn asked those in attendance for any contacts they may have for painting contractors, information on ground tanks, or possibly setting up a committee to do the research.

*Cell-Sites: There are at least 2 more sites available on the tank for cell-site usage to generate more income for the Association.

TREASURER’S REPORT:

The Treasurer’s Report, Financial Statements, and 2014 Audit were provided in the annual meeting packets distributed to all homeowners with the Notice of Meeting. A homeowner asked how much money the Association has in both the operating and reserve accounts. Treasurer Dugan reported \$450,283.85 combined.

INTRODUCTION OF NEW HOMEOWNERS:

President Woodburn welcomed new homeowners **Valerie and Charles Kulesa**, Lot 14.

ELECTION OF BOARD MEMBERS:

President Woodburn reported that his and Dugan’s directors’ terms are up and asked for nominations. No “Statement of Interest in Serving” forms were returned with the proxies and no nominations were offered from the floor. Bob Susinetti volunteered to be on a committee but not on the Board. The homeowners in attendance requested Woodburn and Dugan continue as officers/directors for two more years since they’ve done good work. Both Directors agreed to remain on the Board as requested.

***** A motion to extend 2-year terms of Jamie Woodburn and John Dugan as board members was made by Brian Jenkins and seconded by Jane Santiago. The motion was verbally approved and accepted unanimously.***

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

OLD BUSINESS:

1. Reserve Fee Reduction was implemented on January 1, 2016.
2. The Dugan Tax was removed effective January 1, 2016.
3. Water tanks repairing/repainting was discussed in the President's Report. It is a work in progress.
4. Maintenance of auwais is an ongoing issue. Homeowners should continue to keep their auwais/culverts cleared of debris for good water flow.
5. Website update. Jenkins, Dugan and Fleming are working with Gill Brooks on website content. Volunteers are welcomed.

NEW BUSINESS:

1. Collection Policy. The new proposed collection policy written by attorney Shannon Sheldon was included in the annual meeting packets. It puts in writing the Association's collection practices in clear and concise terms, including rent interception and termination of services, as well as late fees and interest. There was discussion as to the legality of suspending privileges and access to amenities (#10 in the policy). Being that Kula Nani has a private water system and is a public utility in Maui County and under the auspices of the County of Maui and State of Hawaii, it has the right to implement the same procedures as the County of Maui. Woodburn called for a motion to accept or reject the Collection Policy as written, including the initialed sixty (60) day correction, which was a typographical error made when the document was prepared, and initialed by Board Member Dugan.

***** A motion to adopt the new Collection Policy as written and initialed was made by Valerie Kulesa and seconded by Robert Susinetti. The motion was verbally approved and accepted unanimously.***

Brian Jenkins will notify Shannon Sheldon that the Collection Policy has been adopted effective September 10, 2016.

2. Automatic payment of monthly invoices: Several homeowners asked if Kula Nani is able to offer a \$5 or \$10 rebate for automatic payments like some other HOAs. Dugan explained that at this time Kula Nani is not set up for automatic payments and questioned how the Association would make up the money it loses by giving the rebates. Valerie Kulesa will look into the possibility of implementing some type of auto-payments and report back to the Board.
3. Other Discussion Items: A homeowner reported finding Glycine growing on his property. Everyone should be aware of this invasive plant and be sure to dispose of it if found.

DATE OF NEXT ANNUAL MEETING:

The 2017 annual meeting is tentatively set for Saturday, September 9th.

ADJOURNMENT:

There being no other business to discuss, President Woodburn adjourned the meeting at 3:50 p.m., and thanked everyone for attending.

Respectfully submitted,

John B. Dugan
Secretary-Treasurer

As recorded by Gerri Fleming
on 09-10-2016