

KULA NANI ESTATES COMMUNITY ASSOCIATION
2017 MINUTES OF ANNUAL MEETING

September 9, 2017

Robert & Marianne Susinetti's Residence
70 Ululani Street, Kula, HI 96790

CALL TO ORDER:

The 2017 Kula Nani Estates Community Association Annual Meeting was called to order by President Jamie Woodburn at 3:10 p.m.

ATTENDANCE:

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

Board Member Absent: Angelina Coffin, Director

Homeowners (or representatives) Present: Baillie (Lot 10); Heiman/Smith (Lot 11); Danko (Lot 12); Kulesa (Lot 14); Suwanjindar (Lot 16); Susinetti (Lot 17); Peschke (Lot 18); Jenkins (Lot 21); Bouchakian/Burg (Lot 28); Dugan (Lot 33); Santiago (Lot 34); Huck (Lot 37); Woodburn (Lot 38).

Homeowners by Proxy: Desmarais (Lot 1); Scheer (Lot 4); Riley (Lot 9); Marshall (Lot 19); Liu (Lot 22); Linex Properties (Lot 21); Hoerl (Lot 31); Lum (Lot 32); Sena (Lot 35); Mailhiot (Lot 36).

DETERMINATION OF A QUORUM:

A quorum was established with 60% of 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, 2017 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, 2018 through December 31, 2018 operating expenses."

**** A motion to approve the Tax Rollover Resolution was made by Valerie Kulesa, seconded by Brian Smith, and 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 9, 2017 which will be made a part of the Association's annual meeting file.

APPROVAL OF THE 2016 ANNUAL MEETING MINUTES:

The draft Minutes of the Annual Meeting of September 10, 2016 were previously mailed to all homeowners. President Woodburn asked for any corrections, additions, and/or discussion. None were made, and no discussion ensued.

**** A motion to approve the Draft 2016 Minutes was made by Brian Smith, and seconded by Valerie Kulesa, and verbally approved and accepted unanimously.**

REPORTS OF THE BOARD OF DIRECTORS/OFFICERS:

President's Report:

"In 2017 our major task was repainting, inspection, and certification of the water tanks' lamination by Tenyer Coatings and Owens Inspection Services. With Dugan's help no major problems ensued. Moving forward we are now on a 15-year cycle for repainting dependent on how long the coating lasts. Maintenance will be every 3 years rather than every other year which includes inspection, power washing, spot cleaning, spot painting, and touch-ups. Cost for repainting was \$126,000, and cost for inspection and certification of laminations and supports was \$17,000.

The underlying base paint of the tanks is lead-base. If delamination occurs at some point, or there's a catastrophic failure, then replacement of a new (hopefully ground-based) tank will be required. Removal of the existing tank would be tedious because we'd have to run the lower tank 24/7 with continuous cycling during installation of the new tank, which is an expensive option. It costs approximately \$1,800 per month for electricity to keep the two pumps working. In the long run a ground-based tank would be more cost effective, however the upper lots wouldn't have much water pressure with a ground-based tank.

I was approached recently by guys who paint hotels who said that they can easily paint our tanks. They asked for drawings and will let us know if they can compete. When we went to the vendor who supplied the tank paint he told us that none of the local painters would be interested, and if they were they'd give us high bids because they know the people coming in from the mainland are going to be high."

*A question was raised from the floor as to whether the reserve account funds will be sufficient to cover either repainting the tank again in 15 or so years, or complete replacement of the tank. Dugan explained that the association is receiving \$1,600 per month revenue from the AT&T cell site totaling \$19,200 annually multiplied by 15 years. That revenue alone (\$288,000) would be more than enough to repaint the tank. Tank replacement could cost well over \$1,000,000.

Treasurer's Report:

Dugan asked if there were any questions regarding the Treasurer's Report which was included in the annual meeting notice packet. No questions.

Woodburn stated that upcoming expenses, other than operating expenses, will be from the reserve account for maintenance of the tanks and equipment.

INTRODUCTION OF NEW HOMEOWNERS:

The President announced that Kaili Lickle Scheer and Jeff Scheer are the new owners of Lot 4. They were not in attendance.

ELECTION OF BOARD MEMBERS:

President Woodburn reported that there are 3 board positions open. Diana Burg, Brian Jenkins, and Angelina Coffin's terms are up. Burg submitted an "Interest In Serving" form, and Dugan asked if anyone else in attendance was willing to serve. Brian Smith volunteered, and Burg and Jenkins agreed to continue for another 2-year term. The new slate of directors was verbally approved and accepted unanimously by those in attendance. A board organizational meeting will be held soon.

OLD/UNFINISHED BUSINESS:

1. Maintenance and Reserve Fees. President Woodburn reiterated that the association receives \$1,600 per month for the AT&T cell site, and there are 2 vacant spots on the tank for more revenue which could reduce and/or eliminate some of our monthly maintenance fees. The board and/or the community should try to pursue this more aggressively, although installation of new sites would have to be approved by the landowner which could become a problem as it has in the past. The board hasn't made any changes to the monthly maintenance and reserve fees for 2018. Bart Santiago has agreed to modulate the reserve study.
2. Jenkins asked if there's a 25hp pump overhaul coming up. Dugan stated that there are 3 pumps, one 40hp and two 25hp pumps. One of the 25hp pumps was rebuilt for approximately \$20,000. The 40hp pump is able to pump a bigger volume of water. The board needs to decide if one back-up pump is enough, or if the second back-up pump should be rebuilt or replaced, depending on the cost of a new pump, removing the old pump, putting in the new one, and getting it hooked up. Rebuilds last probably 35 to 40 years if Properly maintained and rotated.
3. Dugan said there are weeping nipples between the pumps in the pump house and should be on the agenda for repair. Also the flush out valve at the end of Ululani Street that goes into the culvert needs to be replaced with better quality material such as black iron pipe or something that will last longer than galvanized for both the nipples and the flush out valve. Woodburn stated that the mechanical contractor who services our equipment probably won't be able to continue due to his overwhelming workload so we'll have to search for someone else.
3. Website is up and running. Gerri Fleming completed the task.
4. Auwaes and culverts. Homeowners need to be vigilant in keeping their auwaes clear so water will run in the natural flows.
5. Proxies and Quorums. Dugan asked that these minutes reflect that sending in your signed proxies prior to the annual meeting is very important to establish a quorum in order to hold the meeting. Every year the board scrambles to get enough proxies for a quorum, so even though you're planning on attending the meeting you must return the proxy indicating "for quorum purpose."

NEW BUSINESS:

1. Development Above Homestead Road. Homeowners of the upper lots on Ululani have noticed that grading and development above Homestead Road has significantly changed the water drainage pattern. Jenkins indicated that in the past Marion Ardoin put in a drainage ditch on the mauka side of Homestead Road to divert the water run-off into the Waiakoa gulch. He also noted that the drainage ditch should be cleaned out periodically due to build-up of siltation from the run-off. It would be a maintenance cost for the association unless we can negotiate with the lot owners/developers above. The County has not issued a grading permit so there is no

oversight. If an association member makes an inquiry at the County about the legality of grading and land development, then the County will be required to look into this issue. Diana Burg has contacted the County and has TMK information. She will continue to work on this issue, and Charles Kulesa has volunteered to help.

DATE OF NEXT ANNUAL MEETING:

The 2018 annual meeting is tentatively set for Saturday, September 8th.

MISCELLANEOUS:

Thank you to Bob and Mary Susinetti for hosting this meeting.

ADJOURNMENT:

There being no other business to discuss, President Woodburn adjourned the meeting at 3:48 p.m., and thanked everyone for attending.

Respectfully submitted,

John B. Dugan
Secretary-Treasurer

As recorded by Diana Burg on 09-09-2017

As transcribed by Gerri Fleming on 12-09-2017

***A draft of these minutes will be posted on the Kula Nani website. If you have additions and/or corrections please email to Gerri Fleming.*