



Minutes for the Board of Directors Regular Meeting

Meeting Date: 08/12/2019 **Start Time:** 3:00 pm

Meeting Location: Hawaiiana Management Office

Meeting Called to Order at 3:02 pm

Roll Call: {*Present = P, Present by Phone = PB, Excused = E, Absent = A*}

P__ President: Erik Frostad

P__ Vice-president: Peggy Stelmachowicz

P__ Treasurer: Robert Oswald

P__ Secretary: Rory Love

A__ Director: Lee Johnson

PB* Director: Kalei Farley (*present from 4:10 - 5:30)

PB* Director: Joe Skeens (*left meeting at 5:30)

Meeting quorum was established.

Hawaiiana Management Representation:

Senior Management Executive (SME): Nan Cain

Member's Forum:

Lot 32045 owner, Chris Benetos, recently purchased the property and Mr. Frostad, the Association President, made a personal visit to Mr. Benetos' residence to listen to his concerns and invited him to the board meeting to give him the opportunity to address the Association about the criminal activity in the subdivision and specific incidence of theft and trespassing on his residence and that of a neighbor. Both of these owners live on Nani Kailua Drive. Due to the transient activity from the neighboring Aloha Kona neighborhood, Mr. Benetos is interested in starting a Neighborhood Watch Program.

Reading and Approval of Previous Board Meeting Minutes:

It was noted that the June 10, 2019 had one omission “Motion was made by Director Oswald and unanimously as follows: [Transfer funds from three accounts at separate banks into First Hawaiian Bank under three individual accounts.] “ SME Cain will make this revision and provide an updated copy of the June 10, 2019 General meeting minutes to all Directors.

Reports of Officers & Standing Committees

President:

Treasurer:

Association Treasurer Oswald reported that Association’s assets as of June 30, 2019 were reported as follows:

- Operations Balance = \$73,716.84
- Reserves Balance = \$73,974.48

Financial Reports Prepared by Hawaiiana Management Co. for May 2019 and June 2019 and presented to the board for review.

VOTE: Motion was made by Director Oswald and unanimously approved as follows: [The Association accepts these financial reports subject to audit.]

It was decided that Hawaiiana Management Co. (HMC) will no longer provide weekly edit reports to the Directors. Going forward, HMC will provide monthly financial reports to the Directors approximately one week prior to the scheduled BOD meeting and the Treasurer will continue to receive “Weekly Edit and Invoice Reports” from HMC.

Compliance Committee:

Committee Chairperson Stelmachowicz did not have any new business to report since the last inspection drive.

Chairperson Stelmachowicz requested that a member of the Design Committee participate in the next inspection drive to identify approved construction and improvements in progress.

Chairperson Stelmachowicz has expectations that HMC will be mailing notices to owners within 10 days from the date the Compliance Committee submits the list to HMC.

President Frostad advised all Directors to check their own lots and ensure they are in compliance with the CC&Rs, House Rules, etc.

Director Love requested revising the violation notification forms to include a reference to the specific CC&R section, HRS or Hawaii County Code; and to limit sending notices only on issues the Association has the authority to enforce. (Example: The Association has no authority to require an owner to have an address on display)

VOTE: Motion was made by Director Love and unanimously approved as follows:
[The Board directs the Compliance Committee to suspend all lot inspections and begin auditing the Board of Directors and all subcommittees for compliance with Bylaws and CC&Rs. Then to make recommendations to the BOD for: improving processes; maintaining oversight; and take corrective action wherever the BOD is not in compliance. Lot drive by inspections will continue to be suspended until such time the BOD and subcommittees are in compliance with Bylaws, CC&Rs and the Committee's recommendations.]

Coqui Enforcement Committee:

Committee Chairperson Oswald reported there will be committee meetings scheduled in the near future and the dates being provided to the Association; and that progress is being made with an increase in response and participation by owners to eradicate the coqui invasion into the subdivision. All of the citric acid sprayers have been loaned out and the coqui eradication company has been getting backlogged to the point that the Association needs to have a second company to recommend to the Association Members.

Lots 33030, 33046, 33048 received notices from the committee and it appears that all owners are in the progress of taking action.

ACTION: SME Cain is tasked to locate a second vendor for capturing coquis and provide the contact information to the Committee.

Mrs. Penrose is stepping down as co-chairperson and will stay on as a committee member.

Director Love asked Chairperson Oswald about the Coqui Action Request Form Letter in regard to the paragraph referring the lot being checked again in 10 days. Due to the timeliness to schedule a coqui eradication specialist it may not be reasonable to expect eradication within 10 days however, the Committee could expect the notified owner has taken steps to schedule service within the first 10 days. Chairperson Oswald intends to

review this section of the letter with the Committee and revise as necessary.

Design Committee:

Committee Chairperson Mrs. Frostad could not be present so President Frostad gave a summary report in her absence.

The Committee currently has two members, Kristen Frostad and Leland Johnson and is looking to fill the vacancy for a third member. The Directors will attempt to get the word out to other members about this vacancy until it is filled.

ACTION: President Frostad stated that the Committee will be scheduling a meeting in the near future to improve on their record keeping as well as their process in reviewing and approving applications of lot improvements.

The KVE web site contains a document titled "Design Committee Rules" with a revised date of March 19, 2014. Director Love asked if there was later known version of this document. SME Cain and the Board of Directors could not specifically recall or present a later version of this document or any records of its amendment therefore the copy on the web site is considered the latest version. The Design Committee is subject to these Design Committee Rules – revised March 19, 2014 and CC&R Section 3.03 and Section 4.03 until such time the Committee updates these rules per CC&R Section 4.04 and makes them available to the Association Members.

Many lots are not in compliance with Design Committee rules such as second stories not being 60% or less area of the first story; front fence\wall setbacks and exterior lighting fixtures visible from the streets. If the Association was to enforce all design rules the expense for the owner to comply with the existing design rules would be prohibitively high. The Association will consider updating the design regulations to begin allowing some of these existing deviations.

LOT 32010 - Director Love made a personal visit and met with Mr. Bristow in regards to his formal complaint about an unapproved addition on Lot 32009. Director Love was only getting facts about the complaint and gave no position or opinion on Mr. Bristow's complaint. Based upon Mr. Bristow's testimony this addition was completed in 2010 and the Association does not have Design Committee records going back that far. Due to any statute of limitations it is the Association's position that the addition is in compliance and will take no further action on the complaint.

LOT 32045 - The Design Committee approved the application for exterior improvements. The plan submitted with this application was a hand sketch illustrating only a portion of the lot and not to scale. President Frostad stated that in the future professional looking design plans & elevations, site and grading plans necessary to illustrate the proposed improvements will be required at the time the application is submitted.

Since it was not specified on the application or plan, President Frostad will speak with the owner about the Association's regulations on acceptable fencing and walls and the setback distance for any structures such as a storage building.

LOT 33006 - The Design Committee approved the application for a concrete driveway pad as illustrated on the site plan submitted with the application.

Safety Committee:

No Report given

Social Committee:

No Report given.

President Frostad volunteered to get the Committee reactivated with a scheduled meeting with the intention of getting interest from Members.

Street Safety Committee:

No Report given

VOTE: Motion was made by Director Love and unanimously approved as follows:
[The Association shall dissolve the Safety Committee and the Street Safety Committee without prejudice.]

Unfinished Business:

Improvement and repair decisions on recreation center parking lot asphalt and tennis court are deferred until Waste Water Disposal System (WWDS) Project is completed.

The Waste Water Disposal System (WWDS) settlement agreement has been signed by the Association President and mailed to the Environmental Protection Agency by Hawaiiiana Management Co.

ACTION: President Frostad requested SME Cain to furnish him with the Association's WWDS permit issued by the County of Hawaii.

The Board of Directors is considering Kahanako Construction as the Association's preferred vendor to complete the WWDS project (Cesspool Backfill\Septic Installation)

The Board of Directors will proceed with Option II of the loan proposal to the Association from Bank of Hawaii unless the pending proposal being obtained by SME Cain has better terms. The terms in the Bank of Hawaii proposal require the Association's legal counsel to: (1) certify the approval process from the Members (owners); and (2) provide an opinion letter in regards to the loan.

ACTION: SME Cain will consult attorney Alan Tuhy in regards to representing the Association in regards to the lender's terms and then SME Cain will report back to the Association.

VOTE: President Frostad made a motion and it was unanimously approved as follows: [The Association will send loan ballots to all Members by US Certified Mail]

VOTE: Director Love made a motion to amend the previously approved motion in regards to mailing ballots and it was unanimously approved as follows: [Ballots will initially delivered via US Mail by Hawaiiiana Management and for any ballots that are not returned by the deadline, there will be a second mailing by US Certified Mail with return receipt. In order to save the costs from having Hawaiian Management perform the second mailing it will be performed by the Directors.]

ACTION: Secretary Love shall revise the member ballot and cover letter and provide the final version to President Frostad for his signature. The signed cover letter and ballot will be provided to SME Cain to be sent to each and every Member on behalf of the Association by US mail. The contents of the mailing will contain the cover letter, ballot and a self-addressed and self-stamped envelope.

New Business:

Excerpts noted from the Hawaii Revised Statute §421J-5 that (a) this Association will allow Members to attend all regular meetings which must be announced with dates, times and locations; (b) Executive sessions are held to discuss legal matters, salaries and delinquencies. Attendance is exclusively reserved for Association Directors and specific parties invited by the Board; (c) Subcommittees need to begin scheduling and announcing their meetings.

ACTION: The Secretary of the Association will post all meeting schedules on the KVE web site.

The October 7 meeting is canceled and replaced with a new meeting being held on September 11 at 3:00 pm.

For recreation center reservations in August, President Frostad will oversee the August 18 reservation and Director Love will oversee the August 25 reservation. Both will arrive at the scheduled time and perform a walk through with the Member and complete the Rec. Center Inspection Form and repeat the process at the end of their event.

The Association has authorized President Frostad to purchase and install a fire extinguisher with a breakaway glass case near the cooking grill at the recreation center. The Treasurer shall authorize the Association to reimburse President Frostad for his expenses upon submittal of receipt(s).

Since the bathrooms have been closed the work effort to clean the recreation center has been significantly reduced and the Board of Directors has determined this does not justify the monthly billing from the housekeeping vendor.

ACTION: President Frostad directs SME Cain to notify the recreation center housekeeping vendor to cease all services and billing immediately; and provide the Association with the cost to clean the facilities on a per visit basis.

Future revisions to the House Rules will be executed by resolution.

The Kailua View Estates web site was managed by a previous Director and has not been updated since October 2018. It is the Association's priority to have the existing web site updated as soon as possible and it will be the Secretary's duty to manage the web site. It was decided the Association is not prepared to change domains at this time since this would require a transition period to build a new web site; notify all Members of the new site while redirecting web site traffic from the existing site.

ACTION: SME Cain to contact the previous Director and to provide a webmaster user name and password along with the domain registration information for renewing the existing domain name to Secretary Love.

ACTION: Secretary Love will update current House Rules, meeting schedules and Director listing as soon as SME Cain provides the web site access credentials.

ACTION: SME Cain will address the complaint from Mr. Bristow (lot 32010) using the following language in a letter: "Mr. Bristow, Just as any other owner can file a complaint with a government agency, you have every right to contact the Hawaii Fire Department with your concerns over proper oxygen tank storage. If the tanks were being stored on the exterior and where visible from the street the Association could ask them to be relocated however, there is no statute that gives this Association any authority over storage of personal items within the interior of a residence. **The Board of Directors will take no action on this matter unless it can be shown in the CC&Rs or Bylaws where it is the duty and responsibility of the Association to oversee hazardous materials stored within the interior of a home.**"

Treasurer Oswald and SME Cain will be holding a meeting at the offices of Hawaiiana Management Co on August 21, 2019 at 9:00 am for the purpose of reviewing of the proposed annual budget. All Directors and Members are invited to attend this meeting and Director Stelmachowicz has intentions of attending this meeting. The date, time and location will also be announced on the KVE web site.

Announcements:

There were no announcements.

The General Meeting was adjourned at 6:25 pm

Agenda for Next General Meeting:

Next Meeting is scheduled for 9/11/2019 at 3:00 pm



Secretary, Rory Love