

VACATIONLAND HAWAII COMMUNITY ASSOCIATION, INC.
Board Meeting Minutes
February 11, 2006

VHCA Board members present: President Kirk Flanders, Vice President Perry Miles, Treasurer Richard Shea, Secretary Brenda Schott, and Director Paul Charbonneau

VHCA Board members absent: Directors Len Horowitz and Bill Parecki (Parecki's 5th consecutive absence)

KKWA Board members present: President Eric Schott, Secretary Betty Oberman

Community members present: VHCA/KKWA Administrator -Glady Christenson, VHCA/KKWA Website Custodian Sheri Lehner, Jim Lehner, John Allan, Janus Garramone, Arjuna McGowan, Greg Braun, Joel Shockman and Mitch Miyatake

The meeting was held at Richard Shea's house. President Kirk Flanders called the meeting to order at 9:10 am. Additions to the agenda included: Under unfinished business - C. Signature cards and D. Coqui; under new business – D. KKWA draft legislation and E. Hele-On Bus

Secretary read the minutes of the previous meeting held on January 21, 2006. Corrections include: Under Special Assessment, add "committee" after education – per Brenda. Under treasurer's report: strike "but doesn't" and replace with "that does give us the breakdown for farm lots, house lots, regular assessments and special assessments but not broken down on checking account balance..." per Kirk and Richard. Under waterfront committee report: add "assessment" after SMA per Kirk. Under New Business D add "up to" per Glady, also strike "Board rejected her request at this time" and replace with "request was withdrawn at this time" per Richard. Paul motioned to approve the minutes as corrected and Richard seconded. All in favor.

Richard Shea gave the treasurer's report – Checking account balance as of 1.31.06 is \$41,229.23. from bank statement. Richard explained the confusion at the last meeting in regards to differing figures. What we receive from our accountant monthly is income and expenditure ledger broken down according to the 2 farmlot sections by road funds and special assessment funds as well as house lots by roads and special assessments but it doesn't mean the balance reflects that because we do the subtraction, not the accountant. Total income received as of 12.31.05 for HL special assessments is \$25,454. which reflects the balance in the checking account because we haven't spent any of it yet. HL roads assessment started out with a surplus in Mar 05 with a major expenditure to Yamada for \$59k plus admin expenses and currently running a deficit as of 12.31.05 of \$5,563. to be made up next fiscal year in annual assessments. FL contributed \$975 to the spec assessments and the by law change to be voted on at the upcoming annual meeting will hopefully decide credit or voluntary contribution. FL roads funds for IIA is \$7,849 and for IIB is \$8,829 which significantly got drawn down due to recent major roadwork. Brenda motioned to accept the treasurer's report and Paul seconded. All in favor.

Committee Reports:

A. Nominating –Betty and Paul reported on a draft to be included in the mail out for the annual meeting soliciting board member candidates. So far three potential nominees are: Stephen Lang, Glady Christenson and Mason Miyatake. Janus Garramone served on the nominating committee many times in the past and suggested resurrecting a signed agreement by the

nominees and have them present a statement about themselves at the general meeting. The committee recommends introducing the interview process and nominee prerequisites after nominees are selected. Paul motioned the specific text to be included in the mail out as follows: (attach a) Brenda seconded the motion. All in favor.

- B. By laws - Richard reported that the proposed by law amendment draft was sent to our attorneys and they approved. (attach b) Paul motioned to accept the text and include it in our mail out and agenda for the next annual meeting. Perry seconded the motion. All in favor. Richard also mentioned that in order to retroactively change our special assessment we have to have a separate recommendation of the board (to also be on the mail out and agenda) to be voted on at the next annual meeting stating “the 2005 special assessment be amended to apply only to the house lots as mandatory and the farm lots contributions to the special assessment are voluntary and welcomed.” Richard motioned that the amendment of the special assessment proposed at the annual meeting would be to keep this as a mandatory special assessment for house lots and a voluntary special assessment for farm lots. Perry seconded. All in favor.
- C. Entrance – Perry called Helco inquiring about electric lighting at the entryway. Helco requested a plot plan and said if our roads are county approved we can get county street lights. They are not county approved. Brenda asked to get data on electric bill costs over a 10 year period and compare it with the costs of solar lighting which pays for itself and includes significant tax credits, but for now to leave it on our SMA draft plan as “lighting posts”. Brenda reported on amendments to entrance proposal: no rumble strips allowed, replace with speed bumps. John Allan reported that the Planning Dept requires 130’ for the median area.
- D. Waterfront – Richard reported on the SMA permit draft to include sketch plan and photos along with detailed text covering both the entrance and waterfront (phase 1 & 2) projects. Paul motioned to move forward with both committee reports with minor edits to be completed by 2.15.06 and submitted with SMA permit. Perry seconded. All in favor.
- E. Education – Len’s 2.10.06 email (attach c) stated he has nothing new to report. Discussion held regarding his draft letter to VHCA lot owners regarding conscious water usage which is very similar to a 12.22.05 letter sent out by KKWA to its subscribers. It was decided that KKWA would send out letters to Houselot owners who aren’t on the water system with cesspools (roughly 30) containing equivalent language.
- F. Roads - Perry reported on recent road repair where gravel was deposited on all of Ililani, Hale Pueo and La Malo`o , the hills on Kumuloulu, the end by Hale Pueo, the entry to beach lots on both sides, the entire length of Moani (which took 5 loads), all of Kiki`ao, the end of Ililani on the other side of beach road and replacement of 4 stop signs. Since January 2006 a total of \$14,636.59 was spent on road expenses.

Unfinished Business:

- A. Eric reported on drafting specific language regarding proposed amendment to our CC&R’s such as “upon sale of any TMK any home on cesspools shall be required to upgrade to an approved septic system, include inspection of existing septic tanks to make sure its functioning properly”. Our attorney would draft a letter listing all TMK’s to the Bureau of Conveyances and they in turn would notify escrow companies. Richard suggested we work as a partnership if KKWA would agree to indemnify VHCA for the legal and technical expense. Our by laws state that CC&R’s can be amended by a majority vote of the general membership as notified on our agenda and mail out. Paul

motioned to insert the exact language for the CC&R amendment on our agenda and mail out for our next annual meeting. Perry seconded. All in favor.

- B. Insurance for VHCA Board of Directors – Discussion followed regarding E&O vs D&O insurance. We agreed to come back to this topic at a later date.
- C. Signature Cards/Check writing Policy – Kirk mentioned the importance of adhering to board policy in regards to dual signatures, (i.e. recent road committee expenditures) recognition of an approved budget before professional services are sought, submittal of bids presented to the board for discussion and vote BEFORE final procurement of payment. Paul motioned to rescind a previous motion requiring dual signatures for checks written over \$1k and raise that amount to \$5k effective when the new board is in place at which point we would need new signature cards. Brenda seconded. All in favor.
- D. Coqui Grant – Two signees on the coqui committee assuming fiscal responsibilities are Richard and Burns. Because the committee may be receiving up to \$5k in grant money for coqui control they are asking VHCA to lend the use of our bank account and accountant. Paul motioned to allow the coqui grant funds into VHCA treasury and Brenda seconded the motion. All in favor.

New Business:

- A. The annual meeting agenda will include by law amendments (2 items), CC&R's as well as the usual: budget, election of officers, committee reports, etc. and be attached to a cover letter containing website information and a brief summary of year 2005, final drafts need to be copied and ready to mail out.
- B. The next meeting date was set for Saturday, February 25, 2006, 9:00 am at Jack & Gladys Christenson's home for the purpose of stuffing envelopes for the mail out date prior to March 1, 2006.
- C. Shoreline Determination Meeting – was held on 2.08.06 at Pahoa Community Center with a great turnout. The board decided the best way to give information is to post the power point presentation on our VHCA website directing people with questions to the proper governmental agencies rather than giving our personal interpretation.
- D. KKWA – Draft legislation Senate Bill # 2480: Eric Schott reported on KKWA's 2.06.06 letter to Senator Kokubun (attach d).
- E. Hele-On Bus system now includes Vacationland subdivision and they requested our input on time and place of pick-up.

Correspondence: KKWA's 2.06.06 letter mentioned above was cc'd to VHCA and discussed as well as Len Horowitz's 2.10.06 email.

There being no further business, Perry motioned for adjournment at 12:25 pm, seconded by Paul. All in favor.

Respectfully submitted,

Brenda Schott
VHCA Secretary (signed copy on file)

Minutes were approved as corrected at VHCA Bd Mtg on 4.08.06