

**HAWAIIAN SHORES COMMUNITY ASSOCIATION
MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING
APRIL 9, 2011**

A regular meeting of the Board of Directors of Hawaiian Shores Community Association (HSCA) was held on April 9, 2011 at its recreational facilities.

Directors present were: Eileen O'Hara, President; David Johnson, Vice-President; Kevin Wibberley, Treasurer; Solveig Lamberg, Assistant Treasurer; Royden Pilapil; Toni Robert; Leon "Pat" Kellogg; Suzan Thompson Forrest

Absent: Caroline Weber, Secretary

Also in attendance: Candace Martin, Director of Operations and Management (DoOM) (arriving later due to a prior commitment); Denise Warner, Recording Secretary of the Minutes; and 25 guests.

A quorum was established and the meeting was called to order at 9:05 a.m.

Owners' Comments:

- a) Dick Munday – asked about the status of the park properties.
- b) Wally Patch – suggested that HSCA set up a committee to deal with cleaning up the park area.
- c) Roberta Rioux – filed questions with the Board, which were addressed during the meeting.
- d) Bill Shouldice – spoke in favor of an ocean front park as a means to increase the value of real estate in the neighborhood.
- e) Kukana Munday – asked that the auditor present the final audit to the Finance Committee.
- f) Mark Mallory – asked the Board to consider the possible negative impact of loud noise and partying if a park is developed.

MINUTES

- a) Feb. 8, 2011 (draft Minutes for approval) – Kevin Wibberley made the motion to approve the Minutes. Solveig Lamberg seconded the motion. Vote in favor: Solveig Lamberg, Kevin Wibberley, Royden Pilapil, Suzan Thompson Forrest, Toni Robert. David Johnson and Pat Kellogg abstained. Motion carried.
- b) Feb. 19, 2011 Annual Board Minutes (approved with corrections by BOD on Feb. 28, 2011) – The Board decided by general consent to keep the Minutes as approved.
- c) Feb. 28, 2011 (draft Minutes for approval) – Pat Kellogg moved to approve the Minutes as corrected. Solveig Lamberg seconded. Unanimous approval. Motion carried.
- d) March 12, 2011 (draft Minutes for approval) – Solveig Lamberg moved to approve the Minutes as corrected. David Johnson seconded the motion. Vote in favor: David Johnson, Solveig Lamberg,

Pat Kellogg, Suzan Thompson Forrest. Opposed: Toni Robert, Royden Pilapil. Kevin Wibberley abstained. Motion carried.

REPORTS

Director of Operations and Management

The Operations and Management Report was filed and reviewed. The President presented the report in the absence of the DoOM. The Board discussed a request for the use of an inflatable slide and possible liability issues. *Pat Kellogg moved that HSCA obtain a statement from the insurance agent which states that the existing insurance covers that type of equipment. David Johnson seconded.*

Kevin Wibberley amended the motion to include the clause that if the statement comes back in the affirmative, then the people will be allowed to use the equipment. Vote in favor: David Johnson, Kevin Wibberley, Solveig Lamberg, Pat Kellogg, Royden Pilapil, Suzan Thompson Forrest. Toni Robert abstained. Motion carried.

Kevin Wibberley moved that the Director read the meters that are installed on a consistent monthly basis and report on the readings at the regular Board meetings. Pat Kellogg seconded the motion. Discussion ensued. Unanimous approval. Motion carried.

Suzan Thompson Forrest moved that the Director be allowed to approve toys and party equipment on a regular basis as approved by the insurer. Solveig Lamberg seconded the motion. Vote in favor: Kevin Wibberley, Solveig Lamberg, Suzan Thompson Forrest, Royden Pilapil, Toni Robert. Opposed: Pat Kellogg, David Johnson. Motion carried.

Tabled Addendum of March 12, 2011 – was reviewed and filed. Included was a breakdown of legal fees incurred for litigation, as stated below:

FY 2008 & 2009 DETAILED ACCOUNTING OF LITIGATION EXPENSES

2008 First Hawaiian Bank (FHB) & Bank of Hawaii (BOH) Litigation Costs	
Association attorney fees	\$ 30,164.50
Association attorney costs	\$ 1,640.04
Other litigation costs	<u>\$ 1,018.32</u>
Total litigation costs 2008	\$ 32,822.86

2009 First Hawaiian Bank (FHB) & Bank of Hawaii (BOH) Litigation Costs	
Association attorney fees	\$ 28,661.00
Association attorney costs	\$ 2,007.25
Other litigation costs	\$ 5,167.31
FHB attorney fees	\$ 9,311.91
BOH attorney fees	\$ 21,875.66
Settlement fees (former board attorney fees)	<u>\$ 47,914.24</u>
Total litigation costs 2009	\$114,937.37

2008 & 2009 Combined	
Board authorized litigation expenses:	
Total Association attorney fees & costs	\$ 62,472.79
Total litigation costs	<u>\$ 6,185.63</u>
Total Board authorized expenses	\$ 68,658.42
Court-ordered litigation expenses:	
FHB attorney fees	\$ 9,311.91
BOH attorney fees	\$ 21,875.66
Settlement fees (former board attorney fees)	<u>\$ 47,914.24</u>
Total Court-ordered expenses	\$ 79,101.81
Total 2008 & 2009 FHB – BOH Litigation Costs Paid by HSCA to date	<u>\$147,760.23</u>

Mr. Thomas asked that the document read be posted on the website.

The Board discussed the property on Nenu St. foreclosed on in 2008, which now belongs to HSCA but has not been sold and has an IRS lien in excess of \$9,000. It was noted that HSCA has expended more than \$17,000 foreclosing on the property. *Pat Kellogg moved that decisions with respect to this property be referred to the Finance Committee to determine what should be done with it. David Johnson seconded the motion. Unanimous approval. Motion carried.*

Committee Reports

- a) Human Resources Committee Report was reviewed and filed. Discussion ensued on improving the scheduling of office staff in terms of cost effectiveness and the possibility of training office staff members on conflict resolution. *Solveig Lamberg moved to file the report from the Human Resources Committee. David Johnson seconded. Vote in favor: David Johnson, Kevin Wibberley, Solveig Lamberg, Pat Kellogg, Suzan Thompson Forrest, Toni Robert. Opposed: Royden Pilapil. Motion carried.*
- b) Community Relations Committee Report. The Committee received a request to sponsor use of the Honu St. facility by a non member. The request was from Donna Manion, Office Manager, Law Offices of Paul E. Booth to provide a seminar on estate planning. *Kevin Wibberley made the motion to not approve the use. Pat Kellogg seconded the motion. Discussion ensued. Unanimous approval. Motion carried.*
- c) Ocean Park Committee Report was reviewed and filed. It was noted that no fence would be installed near the cliff edge, as no liability will be incurred against HSCA due to the law regarding open access. *Suzan Thompson Forrest moved that before volunteers are used to clean the park, the insurance agency be contacted to ascertain proper liability coverage. Royden Pilapil seconded the motion. Discussion ensued. Unanimous approval. Motion carried.*

Kevin Wibberley moved that development of a park on the park site be referred to the Ocean Park Committee. Pat Kellogg seconded the motion. Discussion ensued. Unanimous approval. Motion carried.

Solveig Lamberg moved to accept the budget filed on the initial replanting and preparing of Ocean Park. Pat Kellogg seconded the motion. Discussion ensued and a cap of \$5,000 was approved. Unanimous approval. Motion carried.

It was noted that community members will be notified of the next committee meeting.

COMMUNICATIONS

- a) Communication from Ms. Maureen Russill – Ms. Russill's letter was read requesting a community forum.
- b) Resignation from Craig Thompson on committee appointments –Mr. Thompson's resignation was noted.
- c) Request by Ms. Robert to address allegations regarding the DoOM's salary – Ms. Robert read a statement to clarify that the DoOM's salary is not \$64,000 or more.

OLD BUSINESS

- a) Action on tabled motion from 2/19/11 to release Michael Thomas – Pat Kellogg – *Pat Kellogg moved to release Michael Thomas as the Attorney. Vote in favor: David Johnson, Solveig Lamberg, Kevin Wibberley, Pat Kellogg. Opposed: Royden Pilapil, Toni Robert, Suzan Thompson Forrest. Motion carried.*
- b) Resolution on accounting issue with Mr. Steven Strauss – Eileen O'Hara – The Board considered an alleged outstanding invoice in the amount of \$2067.74. *Pat Kellogg moved to pay the amount of \$2067.74 to Mr. Strauss. Solveig Lamberg seconded the motion. Discussion ensued. Vote in favor: David Johnson, Solveig Lamberg, Pat Kellogg. Opposed: Toni Robert, Suzan Thompson Forrest, Royden Pilapil, Kevin Wibberley. Motion lost.*

Eileen O'Hara moved that a letter be sent by Eileen O'Hara as President to Mr. Strauss indicating that the monies are not owed due to the fact that he had ample time to bill for the monies previously. Suzan Thompson Forrest seconded the motion. Discussion ensued. Ms. Thompson Forrest asked to see a copy of the letter. Vote in favor: David Johnson, Kevin Wibberley, Solveig Lamberg, Royden Pilapil, Suzan Thompson Forrest, Toni Robert. Opposed: Pat Kellogg. Motion carried.

- c) Stable demolition summary and recommendation – Kevin Wibberley – Kevin Wibberley reported that the overall structure is stable, the roof must be replaced, bathrooms need to be renovated and termite treatment should be approved for surface damage. He noted that Hilo Termite and Pest Control provided a quote of \$5,468.72 to eliminate drywood termites, which includes a two-year warranty for drywood termites. He estimated that it would cost approximately \$50,000 to tear it down or \$150,000 - \$200,000 to renovate the building. *Suzan Thompson Forrest moved to send this*

item to the Finance Committee for a comparison with other projects that are pending. Solveig Lamberg seconded the motion. Discussion ensued. Unanimous approval. Motion carried.

Kevin Wibberley made the motion to tent the building for termites. David Johnson seconded the motion. Vote in favor: David Johnson, Kevin Wibberley, Toni Robert, Royden Pilapil. Opposed: Solveig Lamberg, Suzan Thompson Forrest, Pat Kellogg. Motion carried.

The Board agreed by general consent to acquire two more bids for comparison purposes.

- d) Comparison of banks for checking and savings accounts - Kevin Wibberley – Mr. Wibberley reported on a comparison of Hawaii National Bank and the Credit Union of Hawaii. Eileen O’Hara requested that Mr. Wibberley provide the written comparisons to the Office for dissemination to the Directors. *Pat Kellogg moved to table the discussion and vote until the next Board meeting. Kevin Wibberley seconded the motion. Unanimous approval. Motion carried.*
- e) Affidavit protocols – Eileen O’Hara – *Suzan Thompson Forrest moved to table this item until the next meeting. Solveig Lamberg seconded the motion. Vote in favor: David Johnson, Kevin Wibberley, Solveig Lamberg, Pat Kellogg, Royden Pilapil, Suzan Thompson Forrest. Opposed: Toni Robert. Motion carried.*

NEW BUSINESS

- a) Resignations and Appointments – *Kevin Wibberley made the motions to accept Mr. ‘Tony’ Henry Thomas as Director as of April 12, 2011 to fill in for the vacancy for the remainder of the term. Royden Pilapil seconded the motion. Discussion ensued. Vote in favor: David Johnson, Kevin Wibberley, Suzan Thompson Forrest, Toni Robert, Royden Pilapil. Opposed: Solveig Lamberg, Pat Kellogg. Motion carried.*
- b) Appointment of Hiroshi Yanagihara – *David Johnson moved that Mr. Hiroshi Yanagihara be accepted as Director as of April 12, 2011 to fill in for the vacancy for the remainder of the term. Pat Kellogg seconded the motion. Discussion ensued. Unanimous approval. Motion carried.*

ADJOURNMENT

Meeting adjourned at 12:15 p.m. by general consent.

Respectfully Submitted and Approved,



Eileen O’Hara, President

Date: 5/19/11

Director of O&M Report for April 9, 2011 Board of Director's Meeting

Water System Update – Water pumping averaged 7.26 hours per day during March for a total of 5.3 million gallons, which is an average of 171,604 gallons per day. The average flow for the well pump was 392 gpm. The average chlorine residual at the tank was 0.725 mg/L and at the end of the system was 0.35 mg/L (DOH recommended minimum 0.2 and maximum 1.0 mg/L). The bacteriological samples taken in February were negative for coliforms. The March samples were delivered to the DOH lab on March 22nd by Keoki Kaheiki.

On March 15th the triennial water sampling for haloacetic acids and trihalomethanes was performed by Candace Martin and delivered to the DOH in Honolulu via FedEx. Last month's round of water sampling results are as follows:

Volatile Organic Chemicals	not detected
Carbamate Pesticide	not detected
Synthetic Organic Chemicals	not detected
EDB/DBCP/TCP	not detected
Glyphosate	not detected
Trace Metals	Sodium at 24mg/L all others not detected
Inorganic Anions	Fluoride at 0.21mg/L* all others not detected
	*Maximum Contaminant Level for Fluoride is 4.0mg/L

We are still awaiting the test results for Chlorinated Acids.

We had 17 water service disconnects and 5 reconnects. We fulfilled requests to locate waterlines on 7 properties. There were a total of 381 active service connections in March. Waterlines were flushed the week of February 28 – March 4.

Park Maintenance – Spring cleaning and sprucing has begun at the Honu Recreational Facility. We are performing annual parking lot maintenance, tennis court cleaning, surface repainting, turf rejuvenation and general cleaning and repairs.

A member has scheduled a child's birthday party for 4/16 (Saturday). He is requesting permission to have an inflatable slide for the party. The rules state "any play equipment, other than that provided by HSCA, will be approved by the Board of Directors prior to use within the recreational facility". In the past, the Board has authorized the Director of Operations & Management to use their discretion in lieu of Board approval. With the seating of a new Board, I am asking for direction on how these instances are to be handled from here on out.

Roads – Signage cleaning and repair was finished in March. Scraping/herbicide spraying of pavement edges on Puna Coastal Parkway was begun in March. Overhanging growth was cut back on Puni Lapa Circle and Palani streets.

2011 Assessment Collections – As of March 31st, 1122 lot assessments have been paid in full (87%). We have accepted payment plans on 25 property assessments and 146 assessments were delinquent (11%). This boasts an 89% collection rate for the 2011 assessment in a struggling economy; good job members!!!!

Respectfully Submitted April 1, 2011
Candace Martin, Director O&M