

**HAWAIIAN SHORES COMMUNITY ASSOCIATION
MINUTES OF THE ANNUAL MEMBERSHIP MEETING
April 19, 2014**

The annual meeting of the Hawaiian Shores Community Association (HSCA) was held at its Community Center.

A quorum was established and the meeting was called to order at 9:20 am. Approximately 29 members attended. The majority of votes were cast by mail.

Directors present: Eileen O'Hara, President; Hiroshi Yanagihara, Vice President; Kevin Wibberley, Treasurer; Tom Cumming, Solveig Lamberg, Acting Secretary, Arnold Gregory, and Steve Bailey. Also in attendance: Councilman, Greggor Ilagan.

AGENDA

Eileen O'Hara moved to adopt the Agenda. Seconded. 21 in favor. Motion passed.

MINUTES

The Minutes from 2013 were made available online and distributed to members. After review the following motion was passed.

Freda Hart moved to adopt the 2013 Annual Membership Meeting Minutes. Seconded. 20 in favor; 1 abstained. Motion passed.

REPORTS

Treasurer's Report – The report was distributed to the members and read by Kevin Wibberley.

President's Report - The President expressed appreciation for the members who have been serving on the Board, such as Caroline Weber, Kevin Wibberley and David Johnson. Of note, as per the preliminary engineering report (PER) conducted in 2013, estimated costs for modifying the water system stand at some \$2M. The Board has applied for a low interest loan through the USDA, which may include grant funds. All efforts will be taken to try and qualify for as much grant funds as possible. So far, \$25,000 in funds has been granted to offset the \$76,000 expended on the PER.

Close the elections – Katherine Lau moved to close the elections. Seconded. 24 votes in favor. Motion passed.

MEMBERS COMMENTS

Comments recorded in the Minutes are presented as a summary only, not a word-for-word transcription.

Athena "Pake" Asuncion – asked how the current water rate was determined. Will it be adequate to maintain the water system and prevent the need for a special assessment sometime in the future?

It was noted that the model for the current rate was the data from Hawaiian Beaches Water Company when they converted from a flat rate to a user-based system. Any part of the water system used generally by all 1294 lots is paid for through the annual assessment. A re-evaluation can be made in the future to see if the current user-based rate covers the variable costs.

Freda Hart – asked for support to deal with two issues on Niuhi Street: the destruction of the road from Albizia trees and the abandoned structure which has been left remaining for some years.

Some discussion ensued on the problem of foreclosed, abandoned properties. It was noted that banks may forestall taking title of a foreclosed property so as not to be obligated to pay association dues. Mr. Ilagan noted that it is very difficult to evict squatters in a foreclosed home where the ownership is in limbo, unless they are involved in illegal activities; and then a complaint can be made to the police. But only the legal owner has the authority to file charges of trespassing. Currently legislation is being developed to deal with this issue. It was noted that HELCO will still provide electric service for squatters who are able to pay for the service.

MEMBERS FORUM

Cell Tower Status and Coverage – The cell tower is completed. Finalization of agreements and/or permits are in process for AT&T, Verizon Wireless and Mobi. A coverage map is available online.

Kamehameha Schools/Bishop Estates Access – The Membership was informed that a temporary lease agreement has been granted to KSBE to allow them access to their property through the gate on Nahawele St. The lease amount is for \$2,000/yr and includes certain stipulations, such as to control Albizia growth, to continue using the land for agriculture, and to allow back access to our water yard. Next year a more permanent lease agreement will be presented to the members for vote. Members raised concerns over developing the terms of the lease, increase in traffic for local residents, protection of the water line, and the need to keep the gate locked.

Derelict Lots & Albizia Problems at Dead Ends of Streets – The Board raised the possibility of buying up empty lots on the southern border where Albizias are threatening the water line and tearing up the streets, with the goal of cleaning them up and reselling the land. Discussion ensued on removal of Albizia trees.

Georgette Bell – asked that the Board invite the fire ant specialist to speak at a future meeting.

Candace Martin – asked if the Board was aware of any potential legal liability at this time. Although no potential legal liabilities were raised, the lawsuit against Benfact USA was mentioned as a potential challenge in finding addresses for Japanese lot owners, should the company go out of business.

Freda Hart – asked who will pay for the damage caused by Albizias to her street. She was directed to share her suggestions with Steve Bailey who is helping to develop the Master Road Plan.

ELECTION RESULTS

Ballots Received = 152 (15% of Members in Good Standing Voted)

Ballots Voided = 2 (spoiled or blank signature portion)

Quorum Only Ballots = 6 (lacking signature card)

Votes Counted = 144

Ballots Counted Toward Quorum = 150

Board of Directors:

- **3 Year Term:**

Steve Bailey – 130 votes (87%)*

Christian Weingartner – 122 votes (81%)

Jack Wells – 123 votes (82%)

- **1 Year Term:**

Solveig Lamberg – 121 votes (81%)

Mike Lopez – 121 votes (81%)

By-Law Changes:

All bylaw changes were approved with at least a 2/3rds (66.7%) majority.

#1 Changes Section 3.02 as follows: 102 votes (68%)

Section 3.02. Member Voting Rights. On each matter submitted to a vote of the Members, whether at a meeting of the Membership called and held pursuant to the provisions of these Bylaws or otherwise, each Member shall be entitled to cast one vote for each lot that he or she owns. Single Memberships in which two or more persons have an indivisible interest shall be voted as provided in Section 2.02, above.

#2 Changes Section 4.07 as follows: 129 votes (86%)

Section 4.07. Record Dates for Member Notice and Voting. For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting or exercise any rights in respect to any other lawful action, the Board of Directors may fix, in advance, a "record date" and only Members of record on the dates so fixed are entitled to notice, to vote, or take any action by written or absentee ballot or otherwise, as the case may be, except as otherwise provided in the Charter, by agreement, or in the Hawaii Revised Statutes. Any transfer of or change in Membership status on the membership list of the Association after the record date shall not change the Members of record as established on the record date. The record dates established by the Board pursuant to this section must be in accordance with the following requirements

- (i) in the case of determining those Members entitled to a notice of the meeting and entitled to vote at a meeting, the record date shall not be more than ninety (90) days nor less ten (10) days before the date of the meeting; and
- (ii) in the case of determining Members entitled to exercise any rights in respect to other lawful action or acquire Member approval, the record date shall not be more than ninety (90) days prior to the date of such other action.

#3 Changes Section 10.09 as follows: 127 votes (85%)

Section 10.09. Water System

- (a) Notification and owner responsibilities. Before commencing any machine work on a lot, the owner or operator shall contact the Association office to have the water lines/easements marked to eliminate the possibility of broken water lines and the expense of the repairs. The owner shall be responsible for any damages to roads, road side easements, ditch lines, water lines, and/or adjoining lots resulting from work being done by contractors or persons working on their lots.
- (b) Appurtenances. It is the lot owner's responsibility to keep appliances and fixtures in working order, including but not limited to solar panels, water heaters and ice makers, to prevent damage from water turn off.
- (c) Payment obligations. Each lot owner shall pay a water hook up fee before starting construction or landscaping on his lot. After installation of water meter and box by HSCA, monthly water billing will commence and continue thereafter until notified by lot owner. Payment on water bills is due thirty (30) days after the billing date on the notice.
- (d) Late fees, shut-offs and liens. HSCA may apply late fees established by the Board of Directors for nonpayment of water bills. Nonpayment of water bills unpaid within ninety (90) days of

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the due date may be subject to a property lien. HSCA reserves the right to turn the water off for nonpayment of any bill delinquent over ninety (90) days, substantial water leakage, and/or high water usage resulting in the disruption of the water distribution system. Water charges in excess of ninety (90) days past due may be turned off due to non-payment unless the responsible party contacts the association and participates in an approved payment plan.

*** Percentages are calculated based on the number of votes constituting quorum at this meeting.**

ANNOUNCEMENTS

On April 9, 2014, the Board passed a motion to close the office every Tuesday (all day).

ADJOURNMENT

Athena "Pake" Asuncion made a motion to adjourn the meeting. Seconded. Motion passed unanimously.

The meeting was adjourned at 11:20 am.

Signed Approval



Tom Cumming, Secretary

4-21-15
Date