HAWAIIAN SHORES COMMUNITY ASSOCIATION MINUTES OF THE BOARD OF DIRECTORS MEETING April 01, 2026 6:00 PM

The regular meeting of the Board of Directors of Hawaiian Shores Community Association (HSCA) was held at the Stables (Community Center). A quorum was established. Jeff Sargent, the President, presided. The meeting was called to order at 6:03 P.M.

Directors Present: Jeff Sargent, Mike Tompkins, Tom Cumming, Lori Tetrault, Polly Quigley, William Schofield, Katy Gorman, and Jack Wells. Also in attendance was General Manager Jeff Beard.

Directors Absent: Vlad Vorobets

Members Present: Rene Kehau Schofield, Julia Estigoy Kaho'onei, Victoria Harder, Curtis Mathes, Sandra Adams, Lori & Jay Nelson, Eileen O'Hara, and Barb Dunaway

APPROVE AGENDA –

William Schofield moved to approve the new agenda, moving Rene Schofield's written communication to the top. Tom Cumming seconded the motion. The motion passed unanimously.

Written Communications –

Schofield – Open Letter Code of Conduct

Taken out of Order of the Agenda

NEW BUSINESS –

Confirm Email Vote –

William Schofield moved to waive the Stables rental fee for the Prince Kuhio Day Kanikapila. Lori Tetrault seconded the motion. The motion passed unanimously.

ANNOUNCEMENTS –

Jeff Sargent thanked Vlad Vorobets, Katy Gorman, Jefe Kraybill, and Kathy Morgan for serving on the Board.

APPROVAL OF MINUTES –

Jeff Sargent added that his statement at the end is true; however, after reviewing the Backup Well Committee report, Project Manager Steve Bailey stated that a Zoom meeting is no longer needed.

Lori Tetrault moved to approve the February 18, 2026, Board of Directors meeting minutes. Polly Quigley seconded the motion. The motion passed unanimously.

REPORTS –

Financial Report: Lori Tetrault reported that Cash is $323,026.23, Investments are $684,705.03, and long-term liabilities are $2.41 Million. Assessments are 2% above budget. Water is under budget by 5%. New water service connections and infrastructure fees are above budget. Escrow fees are above budget by 13%. Guest fees are 69% over budget. Total income is above budget by 12%. Payroll is above budget by 3%. Maintenance/Park expenses for the purchase of the dump trailer and the final payment for the office windows have been reimbursed from reserve funds. When adjusted for this reimbursement and the new grasshopper expense, the maintenance expense is 7% above budget. Total expense is at budget. Net income is 24% above budget.

General Manager Report:

William Schofield moved to the table the estimate for more bids. Mike Tompkins seconded the motion. The motion passed unanimously.

Comments on Committee Reports –

BWC: The backup well project is moving along. GHD engineers will be on-site next month.

CEAC: Jeff Sargent noted that the Candidate Meet & Greet was successful and hopes to continue each year before the Annual Meeting

DRC: Tom Cumming reported that there was nothing for the board to vote on at this time. The owner requesting the variance must pay the fees/fines before moving forward.

FACC: Polly Quigley reported that the Feral Animal Control Committee was changed from an ad-hoc committee to a standing committee. The FACC meets regularly every other month.

GOVERNANCE:

i. **Election Integrity and Fair Campaign Practices Resolution** – Jeff Sargent read the proposed resolution. The board will make some edits and send the resolution to legal counsel for edits before the board vote.

Resolution of the Board of Directors of the Hawaiian Shores Community Association

March 18, 2026 A Motion:

ELECTION INTEGRITY AND FAIR CAMPAIGN PRACTICES

WHEREAS, the Association seeks to ensure fair and transparent elections for the Board of Directors;

WHEREAS, the dissemination of knowingly false statements regarding candidates may undermine the integrity of the election process;

Now, therefore, be it resolved that:

1. Candidates for the Board of Directors shall not knowingly distribute or cause to be distributed false or materially misleading statements about another candidate, the Association, or matters directly related to the election.
2. Any member may submit a written complaint alleging that a candidate has distributed materially false information. Upon receipt of a complaint, the Board or shall:
3. Provide the candidate so accused a written notice of the allegation, and allow the candidate opportunity to respond.

If the Board determines that any candidate knowingly distributed materially false information, the Board may take one or more of the following actions:

- Issue a written correction to the membership,
- Require equal distribution of a rebuttal statement,
- Censure the candidate, or
- Disqualify the candidate from the ballot if the violation is willful and materially affects the election.
- All corrective actions shall be communicated to the membership to ensure transparency.

This resolution shall apply to all future Association elections unless superseded by amendments to the governing documents.

ii. **Competitive Bid Resolution** – Jeff Sargent expressed that this policy is aimed more for the office staff to follow. Jeff Sargent will forward the policy to legal counsel.

This policy is proposed and deemed necessary to avoid future bidding and procurement mistakes, or omissions and omissions that lead to disputes. Not documenting the bidding process can expose the Board and the Association to legal challenges, especially if bids are obtained informally. Choosing services, goods or contractors that are in any way connected to Board or Staff members, even if legal, can create conflict-of-interest accusations. Therefore the Board should adopt the following best practices:

1. Disclosure of relationships recorded in meeting minutes
2. Abstaining from voting
3. Documentation of competitive bids.

The Board should always seek competitive bids that are provided with a clear scope so that it is possible to compare the bids. Skipping the bidding process for large projects can leads to challenges over a breach of fiduciary duty under the Hawaii Planned Community Act (HRS Chapter 421J).Therefore the Scope of Work should define (but is not limited to):

4. Clear deliverables/expectations
5. Completion timeline/deadline
6. Payment schedules
7. Insurance requirements
8. Warranty terms
9. Penalties for delays

Hawaii Statutes do not generally address competitive bidding rules for non-profit community associations in the same way they do for government procurement. Community associations typically rely on best-practice governance, governing documents (CC&Rs/bylaws), and/or fiduciary duty standards when deciding when and how to solicit bids.

This proposed policy will provide future guidance to staff and the Board of Directors of the Hawaiian Shores Community Association with regard to competitive bidding rules. Under Hawaii law, many HOA records (including contracts and bids) must be available for member inspection.

This policy will become a part of the Association's Official Policies after review by legal counsel.

HSCA Policy on Competitive Bidding

Purpose

The Board of Directors of the Hawaiian Shores Community Association has adopted this policy to ensure that Association funds are spent prudently and that the Board fulfills its fiduciary duty to the members. This policy applies to contracts for services, goods, maintenance, repair, replacement, and capital improvement projects paid with Association funds.

Bid thresholds that trigger competitive bids:

Purchase/Service Contract Amount	**Required Action**
Under $5,000	One quote
$5,000 – $25,000	At least two written quotes
Over $25,000	At least three competitive bids

Major capital projects over $50,000: Formal Request for Proposal (RFP)

The Board shall make all reasonable efforts to obtain bids from qualified, licensed, and insured vendors. Adherence to these thresholds protect the Board and the Association from accusations of favoritism; demonstrates proper fiduciary duty and due diligence; and will ensure fair pricing. Minimum quotes and bids allow for the comparison of price, scope, and contractor quality.

It is recognized however in Hawaii, that due to contractor shortages, not enough bids may be received. If fewer than the required number of bids are received, the Board may still proceed with the bids that have been received if reasonable efforts to obtain additional bids are well documented in the meeting minutes, that:

1. Good faith effort has been made to solicit multiple bids
2. The numbers of contractors contacted for bids
3. The time that has been allowed for responses
4. The reasonableness of the price that has been submitted
5. The above is well documented in the meeting minutes

Options if not enough bids are received:

- Option A – Accept the single bid - if the board determines the price is reasonable.
- Option B – Re-solicit bids - Expand contractor list, extend deadline.
- Option C – Negotiate - Clarify scope or pricing with the bidder.

Low bid requirements:
The Board is not obligated to take the lowest bid. The Board's fiduciary duty is to select the best value, not automatically the lowest price. If well documented in the meeting minutes, contracts may be evaluated based on:

- Price
- Scope of work
- Vendor experience and references
- Licensing and insurance
- Warranty and service terms
- Ability to meet project schedule
- Prior performance with the Association

Exceptions for when competitive bids may be waived if:

- Emergency repairs
- Sole source contractor
- Professional services (attorney, engineer, architect)
- Small contracts below the policy threshold
- Continuation of existing contract

Services, goods, or contractors when connected to Board or staff members:

The Board may consider contract or procurement of services or goods when such is connected in any manner to a Board member or staff if the following safeguards are implemented:

- Disclosure of relationships are recorded in meeting minutes
- Abstain from voting
- Documentation of competitive bids if applicable.

Documentation of competitive bids

The Association shall retain:

- Bid requests
- Bids received
- Bid comparison materials
- Board meeting minutes documenting the selection decision
- Executed contracts

iii. **Proposed Bylaws** – Jeff Sargent reported that a PowerPoint presentation will be shared at the annual meeting

iv. **CC&Rs** – Still working on CC&R changes

ITOP: Polly Quigley reported that the goal this year is to focus on reconstructing the website and would like to invite anyone with technical experience to join the committee.

PFPC: Tom Cumming attended the Papio Park volunteer day.

NEW BUSINESS –

Annual Meeting Preparation –

i. *Polly Quigley moved to confirm the email vote to accept the Annual Meeting Draft Agenda. William Schofield seconded the motion. The motion passed unanimously.*

ii. *Tom Cumming moved to accept the contract from the League of Women Voters. William Schofield seconded the motion. The motion passed unanimously.*

iii. Mike Tompkins and William Schofield volunteered for the tellers committee.

iv. Jeff Sargent reported that he will not be present at the Annual Meeting; however, he will have a PowerPoint presentation. Jeff Sargent asked Tom Cumming to preside over the Annual Board of Directors meeting.

Translation Contract –

Tom Cumming moved to accept the Japanese translation contract. Polly Quigley seconded the motion. The motion passed unanimously.

Comments on Agenda Items by Members – None

Statements or Concerns from Directors – None

Written Communications –

Jorden: *Polly Quigley moved to allow the church to place its banner only on the day of the service held. William Schofield seconded the motion. The motion passed unanimously.*

OLD BUSINESS –

Accounting Services – The board and Jeff Beard will continue to research and explore options. Jeff Sargent would like to get this settled in May.

Adjournment – 7:33 PM

William Schofield, Secretary

6-17-2026

Date