

MINUTES OF KUAU BAYVIEW BOARD OF DIRECTORS MEETING November 8, 2012

DIRECTORS PRESENT: Luba Reeves (Pres), Marcy Martin (VP), Ann Pitcaithley (Treas), Dan Judson (Sec), Tom Atkins, Nancy Firestine, Stan Goosby (Directors)

DIRECTORS ABSENT: None

OTHERS PRESENT: Owners from Lots 1,6,7,8,19,29,31,32,43,50,56,57,58,61,64,65,67,70,72,79

CALL TO ORDER & DETERMINATION OF QUORUM:

President Luba Reeves called the meeting to order at 6:00 pm at the Paia Community Center in Paia. With all Directors present, a quorum was established for the conduct of Association business.

APPROVAL OF MINUTES

MOTION: To approve the minutes of the July 12, 2012 meeting as submitted. Seconded and carried unanimously. (Martin/Reeves)

TREASURER'S REPORT

Treasurer Pitcaithley reported that as of Nov 8th, 2013, we have a total of **\$68,846.14** in our checking and savings accounts at the Bank of Hawaii in Paia. This includes \$60,000.00 in reserves and \$8,846.14 in the operating fund. [View bank statements online.](#)

Total deposits since July 1st have been **\$12,125.04**. Total expenditures since July 1st have been **\$11,748.25** which included \$10,000 for the rock wall. So we are still running with a profit.

So far this year we have saved \$3500 on landscaping, \$5000 to \$7000 on the Lae Street cleanup, \$1800 per year on the retention basin mowing (which turns out not to need mowing), and \$31.64 per month on electricity as we have cancelled the MECO account now that we have a battery-powered irrigation timer. So the rock wall cost has already been fully recouped through savings on other expenses.

A few months back under Valley Isle Management our Accounts Receivable total was over \$14,000. As of today, two owners owe a total of \$450. Three owners who had been considered delinquent for many years and been threatened with foreclosure, turned out instead to have overpaid; therefore, credits have been applied to their accounts and they will be sent letters of apology. Another owner who was considered delinquent is now current and promises to stay that way.

This inch-thick folder (Robert Rowland) gives you some idea how many attorney invoices were paid under Bob Pellettieri's Board. Here are 23 pages of invoices paid to attorney Shannon Imlay in the past year. The vast majority of these invoices are for demand letters, liens, and foreclosure actions. Under Luba's philosophy of treating owners with respect and compassion, we don't use lawyers against the owners except as a last resort. Luba's way is much more effective when you compare \$450 to over \$14,000 in delinquencies.

In 2013 we change to annual assessments of \$240 due on Feb 1st. This is a savings to each owner of \$60 per year. If everyone continues to cooperate, we hope to reduce fees even further in 2014.

After researching [ACH payments](#) (auto-debits), we discovered that they were not cost effective for annual payments which are much simpler to handle by check.

We had been hoping to have obtained the original 2011 QuickBooks data file from CPA Marlin Boeckmann by now, but both he and Valley Isle Management have refused to hand it over. The 2011 Board did not make a copy of the file before giving it to Valley Isle who converted it into an unreadable format. One of the

agenda items is that we need to send demand letters to CPA Marlin Boeckmann, Valley Isle Management, and Bob Pellettieri to try to retrieve the missing Association records. We have in effect lost 16 years of our digital financial records and at least 4 years of our paper records between 2004 and 2011. If we cannot obtain the 2011 QuickBooks data file, the owner accounts will have to be pieced together and rebuilt one-by-one. My assistant is working on this now. Payment histories will be sent to each owner for verification. Please check them to make sure they correspond with your records.

RETENTION BASIN REPORT

Director Tom Atkins continues to monitor & catalogue plants in the retention basin while seeking solutions to its unique challenges. He used utility wire to temporarily repair existing breaches in the chain link fence separating the basin from the Paia Community Center. [Five "No Trespassing" signs](#) were placed where the breaks in the deteriorated fencing allowed children to enter the basin. Members of the Landscape Committee hope to persuade the County Parks Department to erect a solid privacy fence which would serve to make the retention basin less visible from the playground and, therefore, less of a temptation.

OWNERS FORUM

Considerable time was devoted to a [Question and Answer Symposium](#) which allowed in-depth discussion of various issues related to the building of the rock wall and the 3 allegation letters that had been mailed to owners on Nov 3, 2012 by Karen Chun & Robert Lindan. In the end a show of hands determined that everyone was pleased with the [rock wall](#) except Frank & Nancy Firestine (Lot 29) and Ron Moore (Lot 79).

NEW BUSINESS

- 1. MOTION:** To return to **annual payments** and reduce HOA dues from \$300 to **\$240 per year**.
Seconded and carried unanimously. (Reeves/Judson)
- 2. MOTION:** To reduce **late fees** from \$15 to \$10 per month. Seconded and carried unanimously.
(Pitcaithley/Reeves)
- 3. MOTION:** To ratify the Sept 1, 2012 email vote to authorize Ricky to construct a [three foot rock wall](#) extending 199 feet along Lae St with a maximum budget of \$10,000. Seconded and carried by the majority. (Reeves/Goosby) Abstentions: M. Martin, N. Firestine.
- 4. LAE ST FENCE PROPOSAL LOT 43:** Owner Tom Jenkins & his wife Amy (Lot 43) expressed their displeasure at the fact that their privacy had been impacted by the [removal of the Plumbago](#) and greenery above the Kuau Bayview sign in December 2011 by landscapers Ho'olawa Farms. Other owners were also displeased. To restore privacy, the 2011 Board installed a [6 foot vinyl fence](#) on top of the rock wall at a cost to the HOA of \$3,162.42, which many owners found objectionable. The Design Committee then allowed Mr Jenkins to erect [more vinyl fence](#) along Hana Hwy enclosing the landscaping and drainage easement. Both of these actions may be viewed as violations of the DCCRs pertaining to [Easement 19 along Hana Hwy](#).

Mr Jenkins now seeks approval to erect a 6 foot vinyl fence for 31 feet along the new rock wall on Lae St effectively usurping the landscaping easement that runs along the hillside and which the HOA has maintained since 1996. The Board awaits documentation from A&B's lawyer confirming that A&B did in fact record easements in favor of the Association along lots 41, 42, and 43 allowing for common area access and landscape improvements as we were led to believe since 1996. Mr Jenkins submitted 47 pages of personal emails and asked the Board to attach them to the Minutes. These were not read into the meeting, nor had anyone reviewed them, so the Board was unsure how to respond & declined comment.

- 5. STRH APPLICATION LOT 1:** Owner Michael Baskin (Lot 1) presented a *Short Term Rental Home (STRH)* proposal for his property at 88 Lae St and asked the Board to provide the required letter

enabling him to proceed with his application to the County. Mr Baskin offered to send detailed packets of information to all 92 owners to enable them to voice any concerns they may have, and share the feedback with the Board. Those in favor felt this would be a no-cost way to determine how owners felt about Short Term Rentals and that the County process would be better able to monitor licensed STRHs than the Board would be to control illegal STRs, several of which already exist in Kuau Bayview. Those opposed felt that refusing to supply the letter would prevent the application from going forward.

MOTION: To table any action on the letter until the Board polls homeowners regarding STRHs in Kuau Bayview. Seconded and carried by the majority. (Martin/Firestine) In favor: Martin, Judson, Goosby, Firestine. Opposed: Reeves, Atkins, Pitcaithley.

6. **MOTION:** To consider amending the CC&Rs to ban STR and B&B. Seconded and carried by the majority. (Martin/Firestine) In favor: Martin, Judson, Goosby, Firestine. Opposed: Reeves, Atkins, Pitcaithley.
7. **Aloha Property Management** is no longer the management company. The Board will look into the pros and cons of hiring a la carte property management.
8. **Attorney Shannon Imlay** has been dismissed by the Board. She had invoiced the Association over \$1,200 for actions that produced no results and harassed some owners who did not owe any money.
9. **MOTION:** To hire Q&A in Kahului as the Association webmaster of kuaubayview.org at **\$90 per hour**. Seconded and carried by the majority. (Judson/Martin) In favor: Judson, Martin, Goosby, Firestine. Opposed: Reeves, Atkins, Pitcaithley.
10. **MOTION:** To release the lien, provide a \$66 refund, and apologize for past misunderstandings & maltreatment of owner David Irwin (**Lot 50**) Seconded and carried unanimously. (Reeves/Martin)
11. **MOTION:** To apply **\$744.17 overpayment** to future maintenance fees, and apologize for past overcharges to the Alturas (**Lot 42**). Seconded and carried unanimously. (Reeves/Atkins)
12. **MOTION:** To budget **\$400 per month for landscape maintenance**. Seconded and carried by the majority. (Reeves/Judson) Opposed: N. Firestine
13. **MOTION:** To require that all **written Board correspondence** (letter & email) be approved by the majority of the Board before being sent to owners. Seconded and carried unanimously. (Pitcaithley/Judson).
14. **FRONT ENTRANCE LANDSCAPING:** Volunteers Darlene Brothers and Tom Atkins were applauded by the Board & homeowners for their efforts removing **overgrowth along Lae St**, removing rocks & cuttings to the landfill, and installing new plantings to **beautify the entrance** to Kuau Bayview.
15. **MOTION:** To have D. Brothers prepare **demand letters** for Valley Isle Management, Bob Pellettieri, and Marlin Boeckmann seeking the recovery of data & assets from previous years. Seconded and carried unanimously. (Judson/Reeves)
16. **MOTION:** To table **2013 Budget Planning**. Seconded and carried unanimously. (Judson/Atkins)

ADJOURNMENT Motion to adjourn the meeting at 10:15 pm. Carried unanimously. (Martin/Judson)

Minutes prepared by:
/s/ Dan Judson
Dan Judson, Secretary

Approved by:
/s/ Luba Reeves
Luba Reeves, President

Date: November 29, 2012