

# KALANIKAI AOA ANNUAL MEETING –

February 16, 2019 – 9:12 A.M. at Kalanikai

1. **ROLL CALL- CALL TO ORDER** - Bruce Gainer, Roma Johnson, Jessica Haley
2. **DETERMINATION OF A QUORUM:** 52.44% quorum established.
3. **PROOF OF NOTICE OF MEETING:** Owner's Notice, January 11, 2019.
4. **INTRODUCTION OF BOARD MEMBERS AND GUESTS:** Roma Johnson, Jessica Haley, Alice Schack (2018), Bruce Gainer, board members present, Sheryl Weinstein, excused board member, Bernice Barnett is acting recording secretary, Jeremy Montanez, RM, Cindy Kuhlman-Low, from Touchstone, Tad Nottage from Aloha Insurance.
5. **CONDUCT OF BUSINESS:** Roberts Rules of Order (see Rules below). No objection: Rules adopted. This meeting is being recorded.
6. **APPROVAL OF MINUTES OF 2018 ANNUAL MEETING:** No objections/ to waiving reading of the minutes. No objections or modifications to the minutes. Minutes approved as presented. Will be posted within 60 days from today.

President Bruce Gainer made a request to allow Tad Nottage, Aloha Insurance to present Insurance information to owners out of agenda order. No objection.

Presentation by Tad Nottage regarding the AOA's insurance. Tad explained our condominium complex property value is established and how insurance premiums are ascertained. 1. General Liability – slip and fall coverage. The limits are one million dollars per occurrence or two million dollars per year. 2. Crime Policy - to cover employee dishonestly. The State requires this coverage. 3. Directors and Board members liability policy limit is one million dollars. 4. Umbrella liability has a five million dollar limit. 6. Workers Comp policy. 7. Temporary Disability Insurance required by State law. 8. Flood Insurance. There is a required flood policy for each building. This is required based on the real property zone that Kalanikai is located in. The information above is overview of the AOA insurance policies. Tad Nottage also answered owner questions about individual homeowners' policies.

## 7. REPORTS OF OFFICERS:

### A. President's Report:

Electricity Consumption: Bruce reports that last September there was a huge increase in the bill. He believes it may have been caused by HELCO billing issue. However, he is having difficulty accessing information regarding the billing from HELCO. Bruce explained that the AOA has done most of what it is able to do to reduce common area electrical usage. It is now up to owners to reduce their individual usage. The association has LED lights which it will provide to owners at no cost. If owners are not using LED lights, please do so. Jessica Haley, unit 106 stated that our rates will go up if we don't conserve energy.

Owner Comments: There was a vigorous exchange of ideas regarding ways to reduce electrical consumption. The ideas included using clear insulation tape on our louvered window to better insulate them, installing a card system in our units which shuts off the unit's lights and air conditioners when people leave the unit. It was also suggested that people install tankless water heaters.

An owner asked why we don't produce enough so that we pay nothing to HELCO. Bruce explained how our solar system works. We must buy electricity during non-daylight hours. We hope we produce enough electricity during the day to balance out the use. We don't always accomplish this goal. Nick Dodson, unit 211, pointed out that we don't own the solar panels, the electricity we use from the solar panels is still an expense to us. We pay the company that installed our solar panels for the electricity we use. Their rate is less than the rate we pay HELCO. But it is a cost to owners.

There was a discussion about water heaters and leaks. Sharyn Holliday, unit 116, talked about water heaters and the importance of having a newer non-leaking water heater. She asked if we could have yearly inspections and require the water heaters in units be no older than 7 years. Don Koepnick, unit 306 brought up individual meters and asked about the cost and possibility of installing them at Kalanikai. It was pointed out that the expense to do this has been calculated and it is prohibitive. Carol Souther, unit 121 suggested that we have an inspection of water heaters. Monica Gelien, unit 208 stated that she just bought a 10-year water heater. She is concerned about having to replace it prior to its expiration date. Sharyn Holliday, unit 116 stated that PSI says water heaters only last 7 years. Bruce Gainer, unit 209 stated that the tanks on 7 years or 10 years are the same tanks. Maria Lopez, unit 218 further discussed using systems to stop electricity by installing a cut off card. Can the Board require tankless water heaters? Bernice Barnett, unit 209 was against this rule. John Bauer, unit 216 stated inspections will not detect leaks and are not useful. He pointed out that leaks can spring up at any time including directly after an inspection. Don Koepnick, unit 306 discussed the benefits of tankless water heaters. They are more economical. However, the tankless can also leak.

#### Triangle lot development

President Bruce Gainer, unit 209 reported about the development which is happening on property adjacent and near Kalanikai. The board has gotten a good response from its contractors and owners. He also discussed the triangle lot which borders Kalanikai and Henry Street. We have verbal agreements with the owners to clear the triangle lot and maintain it. Bruce let the owners know they should expect a change in the look next door.

Sharon asks if they will allow extra parking? Bruce stated he hasn't asked yet. He will wait to ask after we have established a good relationship. Kalanikai will provide liability insurance. Robin O'Hara unit 114 asked about a tree that was cut down which had an effect on her unit. She asked that we plant more bushes. There was discussion about whether the tree was on the developer's property? If this happened on other owner's land and we have no control over them.

#### **B. Treasurer's Report:**

TOTAL CASH ACCOUNT:	\$ 14,766.41
RESERVES TOTAL:	\$144,492.65
RECEIVABLES FROM OWNERS:	\$180,797.47
ASSETS TOTAL:	<u>\$340,056.53</u>
LIABILITIES:	<u>\$37,657.50</u>
TOTAL NET WORTH:	<u>\$302,499.03</u>

Owner's Comments: Don Koepnick, unit 306 asked questions about our collection's entry. Bruce stated the AOA has only a couple of units which are a collection problem. One should be handled within two weeks. Don Koepnick pointed out that the way the management company listed the receivables was concerning. Bruce agreed the accounting method was misleading.

#### **B. AUDITOR'S REPORT:**

We don't have our auditor's report yet. The board has contracted for an audit. But there is a problem finding auditors.

8. **ELECTION OF (3) DIRECTORS:** The AOA election requires two election inspectors. Don Koepnick, unit 306 and Terry Weber, unit 113 were selected as election inspectors.

a. **NOMINATIONS:** Bruce Gainer & Sheryl Weinstein have submitted nomination request forms. There was no objection, therefore Bruce Gainer, unit 209 and Sheryl Weinstein, S204 were nominated.

b. **NOMINATIONS** from the floor: Nominated: Sharyn Holliday unit 116, Maria Lopez, 218 nominated Dana Lewis, unit 314. Seconded by Ed Gibbons, unit 317 seconded the motion. Ed Gibbons, unit 317 was also nominated. Bruce Gainer seconded.

c. **VOTING:** By Secret ballot.

9. **VOTING:** Election results: Certificate of Elected: Bruce Gainer 55.28% Sheryl Weinstein, 46.505% 2021 Ed Gibbons 32.61%

10. **QUORUM UPDATE:** 65.965%

**11. UNFINISHED BUSINESS:**

Discussion about the three issues presented at this meeting regarding an Owner's survey (see attached). The survey items were discussed by owners before they voted. Smoking Rule: Don Koepnick, unit 306 noted that smoke drifts outside from units and into other units. Carol Souther, unit 121 doesn't want any smoking station to be located in the back of our cement buildings.

Parking Stall Rental: Sharyn Holliday, unit 116 asked how long we have been renting three visitor's stalls. Maria Lopez, unit 218 stated the rentals started about four years ago. Robin O'Hara asked how often our remaining visitor stalls are full. Bruce Gainer, unit 209 stated we haven't had issues with having no stalls for visitors to use. Bill Santos asked how long a visitor parking in a stall can park? President Bruce Gainer, unit 209 explained the visitor parking rules which provide for overnight visitor parking and multiple overnight parking with a permit. The permit can be obtained from the Resident Manager. The survey was collected and votes tallied by Director Jessica Haley.

Reserve Contribution for Solar Purchase: President Bruce Gainer, unit 209, opened the discussion about prioritizing contributions to our reserve account to dedicate funds to allow the association to buy the solar voltaic system when our contract to utilize power through our PPA expires. Bruce Gainer, unit 209, explained we could let the contractor remove them at that time. But the system will continue to produce power for years after the contract expires. While it's unknown how much the contractor would sell them for, they would be worth little on the market at that time. Bruce Gainer stated we could dedicate a specific amount to buying the system in our reserves. Director Jessica Haley, unit 106, stated the solar reserve dedication was just a guideline for the saving account and could be accessed if there were a need for the association to divert the funds. Bernice Barnett, unit 209, stated this designation of funds would comply with the Hawaiian law requiring twenty-year planning by associations. Robin O'Hara, unit 114, suggested we keep renting so the company would continue to maintain the system. It was pointed out that the association would no longer pay per kilowatt hour if we were to buy the system. Don Koepnick, unit 306, suggested option two seemed reasonable.

**12. NEW BUSINESS:**

a. Resolution on Assessments: If we have excess funds needing rollover to 2019 ledger in our accounts per IRS statues at year end. No objections to adopting resolution to avoid paying taxes on this amount.

**13. OWNER'S FORUM:**

Owners had no additional subjects or issues to bring.

**ADJOURNMENT** at 11:48am by Bruce Gainer, President.