

KEALAKEKUA BAY ESTATES OWNERS' ASSOCIATION MEETING 14-JAN-2008

MINUTES

Saturday June 14, 2008

Officers and Board Members in attendance:

Dick Kuehner, President
Bill Cliff, Vice President
Debra Newberry, Treasurer
Steve Judd, Secretary
Rick Down, Board Member

Property Owners:

28: 17 in attendance, 11 via proxy

Meeting called to order at 11:17 AM

DESIGN COMMITTEE REPORT

New home construction is in progress on lots 10 and 40. Lot 54 is in progress with an expansion (finishing living space on the lower level of the house). Lot 36 has plans in progress and is expected to submit them in Fall 2008.

WEB SITE REPORT

See attached traffic report.

TREASURER'S REPORT

The association hired a professional bookkeeper earlier this year, Deb Sims. Total fees for the past year were approximately \$1300, which includes converting the Association's paper records to Quickbooks.

Homeowner's wishing to set up automatic payment of dues should be scheduled payments for the first day of the quarter.

The association savings account was switched to a different account type with a higher rate of interest.

All lots are current with their Association dues.

P & L summary attached.

ROAD REPORT

2 Engineers have inspected our roads, one report has been received and the second is expected shortly. Based on the first report there are two areas of damage to the road surface (one caused by tree root penetration and one by

erosion) that need immediate attention. There are several areas of cracking around the power and utility access manholes that will need attention but these are less urgent.

The estimated road life is 20-25 years. We received an estimate Grace-Pacific for complete resurfacing in the amount of \$640,000 in current dollars. In 20 years we can expect this to increase to \$1,000,000 or more.

We will continue to monitor the road condition and decide what to do in the next 3-5 years.

LANDSCAPING AND COMMON AREAS

Many homeowners are actively improving their landscaping and overall the subdivision looks good. We have a contractor who maintains the perimeter and common area landscaping and irrigation, and this has been working out very well; the bougainvillea along the fences is doing well. We have “no spray” signs posted to keep the country crews from spraying weed killer along our perimeter, the contractor handles this as part of the maintenance contract.

GATE

Several owners have commented that the range of their “gate clickers” is reduced; the gate maintenance contractor reports that the issue is with the remote control receiver in the gate. A new receiver is on order and should be installed soon.

A question was raised on the behavior of the gate when the power goes out: in a recent power failure the gate failed to open all the way. The designed behavior is for the exit gate to open and remain open in the event of a power failure. There is a backup battery in the gate mechanism to handle this, if its not working properly we'll tell the gate company to check it.

NEIGHBORHOOD WATCH

At the present time there is no community policing officer assigned to our area. Another area resident does get some information on police activity and distributes it to the neighborhood watch mailing list.

The association does use an e-mail list for sending out neighborhood watch notices and other notices to the homeowners, so it's important that we have current e-mail addresses for all property owners. To update your e-mail addresses contact the secretary at secretary<at>k-bay-estates.com (replacing the <at> with @).

The secretary will put a notice on the web site asking for updated e-mails.

OTHER BUSINESS

Motion by Gabriella Cooper to approve the minutes of the 2007 Annual Meeting. Second by Nora Judd. Motion carried unanimously.

Coquis have been moving closer and several have been found and eliminated inside the subdivision. Owners should take immediate steps to eliminate any coquis on their property. Coqui control resources can be found at <http://www.stopcoqui.org/> and <http://www.ctahr.hawaii.edu/coqui/>. The Board will assist in organizing and coordinating a coqui control effort in the common areas and on unoccupied lots.

ELECTION OF OFFICERS

Nomintion from the floor by Gabriella Cooper for **Jack Fogelstrom**. Nomination 2nd by Dennis McCrea. Passed unanimously.

Motion by Jan Engle to retain the current board members and officers in their current positions for new 3 year terms (Dick Kuehner, President; Debbie Newbery, Treasurer; Steve Judd, Secretary; Rick Down, Director). Seconded by Nora Judd. Passed unanimously.

Nomination from the floor by Jan Engle for **Dan Engle**. Second by Dennis McCrea. Passed, unanimously.

DUES

Motion by Dennis McCrea to raise the Association Dues to \$250/qtr. Second Barbara Kuehner. Passed, unanimously.

Motion by Dennis McCrea to amend the prior motion to apply the increase beginning in the 4th quarter of 2008. 2nd Barbara Kuehner. Passed, unanimously.

Q AND A

Q: How soon is “soon” for road repairs?

A: Within the next 2 months, we are just waiting for the report from the 2nd engineering firm.

Q: What can we do to prevent further damage to the roads?

A: Keep an eye on trees growing near the road, in particular Phillipine Tamarinds – these have shallow, aggressive root systems.

Q: Can we remind contractors to be careful unloading heaving equipment so as not to damage the road surface?

A: As part of the approval process homeowners receive a letter asking them to instruct their contractors to avoid damage to the road surface when unloading and loading equipment. This is usually as simple as putting a plank under the bottom edge of their loading ramps.

Q: Are property owners willing to meet every month or two to pick up trash along the outer perimeter of the subdivision along Napo’opo’o road?

A: Yes, a show of hands indicates many people will participate in this.

Q: Are there landscaping requirements as part of the design requirements?

A: Yes, landscaping requirements were added to the design requirements 4 or 5 years ago.

GENERAL DISCUSSION

Liens and Foreclosures: As part of the Board's fiduciary responsibilities (as defined in the CCRs and By-laws) it may happen that the board needs to apply liens to properties or even pursue foreclosure to recover monies owed to the Association. No-one **wants** to do this; the key is for the requirements to be applied and enforced consistently.

Thanks to Bill Cliff: The Board would like to thank Bill Cliff for his years of service to the Association. Bill is stepping down from the board. He has served as a board member since 2001.

Driveways: Lot 2 has both a paved and unpaved driveway – this is a “gray area” in the CCRs and design requirements. According to one prior board member at the time the second driveway and parking area was constructed this was deemed an “agricultural access road”.

Next year's meeting: it was suggested we move the meeting back to someone's house, since it was getting rather warm in the street, even with the tents.

Front Gate: after the front gate area was vandalized with spray paint the gate dolphin decorations were painted light grey. We have the paint to repaint them in a more attractive “hammered finish” turquoise, Lot 8 has volunteered to handle the repainting.

Thanks to Dennis McCrea for arranging driveway delivery of West Hawaii Today to all the subscribers in the subdivision.

Motion to Adjourn by Dick Kuehner, 2nd Nora Judd, Passed unanimously.

Meeting adjourned at 12:27 pm

4:04 PM

06/12/08

Accrual Basis

Kealakekua Bay Estates Owners Association
Balance Sheet
As of June 13, 2008

	<u>Jun 13, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
Bank of Hawaii Checking	21,279.66
Savings-BOH	<u>29,045.40</u>
Total Checking/Savings	50,325.06
Accounts Receivable	
Accounts Receivable	<u>300.00</u>
Total Accounts Receivable	<u>300.00</u>
Total Current Assets	<u>50,625.06</u>
TOTAL ASSETS	<u>50,625.06</u>
LIABILITIES & EQUITY	
Equity	
Opening Bal Equity	5,273.76
Retained Earnings	25,111.35
Net Income	<u>20,239.95</u>
Total Equity	<u>50,625.06</u>
TOTAL LIABILITIES & EQUITY	<u>50,625.06</u>

4:07 PM

06/12/08

Accrual Basis

Kealakekua Bay Estates Owners Association
Profit & Loss Prev Year Comparison
 July 1, 2007 through June 12, 2008

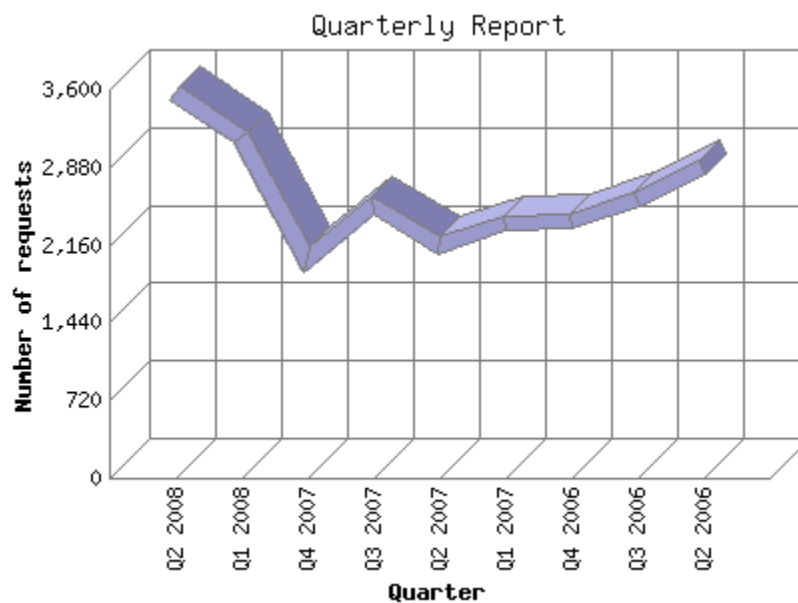
	Jul 1, '07 - Jun 12, 08	Jul 1, '06 - Jun 12, 07	\$ Change
Ordinary Income/Expense			
Income			
Lot Owner Dues	50,472.38	51,713.86	-1,241.48
Transfer Fee	100.00	0.00	100.00
Total Income	50,572.38	51,713.86	-1,141.48
Expense			
Accounting Expense	1,311.25	0.00	1,311.25
Bank Service Charge	0.00	2.00	-2.00
Gate Control-phone	505.20	504.54	0.66
Gate Openers-expense	287.50	1,803.10	-1,515.60
Gate Openers-maint.	1,299.22	0.00	1,299.22
Insurance Expense			
BOD Liability	920.00	0.00	920.00
General Liability	2,717.00	3,240.40	-523.40
Total Insurance Expense	3,637.00	3,240.40	396.60
Legal Expense	141.37	148.69	-7.32
Maintenance	18,510.24	17,719.87	790.37
Office Supplies	55.84	0.00	55.84
Postage and Delivery	151.00	213.00	-62.00
Reimburse Expense	151.60	354.74	-203.14
Repairs	1,432.91	0.00	1,432.91
Utilities			
Electric-gate	630.19	400.00	230.19
Electric-street lights	2,143.77	2,199.70	-55.93
Water-DWS	702.10	2,004.21	-1,302.11
Water-Lot 55	-750.00	0.00	-750.00
Total Utilities	2,726.06	4,603.91	-1,877.85
Web Site expense	261.61	0.00	261.61
Total Expense	30,470.80	28,590.25	1,880.55
Net Ordinary Income	20,101.58	23,123.61	-3,022.03
Other Income/Expense			
Other Income			
Finance Charge to Lot Owners	77.82	0.00	77.82
Interest Income	60.55	20.92	39.63
Total Other Income	138.37	20.92	117.45
Net Other Income	138.37	20.92	117.45
Net Income	<u>20,239.95</u>	<u>23,144.53</u>	<u>-2,904.58</u>

WEB SITE REPORT FOR K-BAY-ESTATES.COM

QUARTERLY REPORT

The Quarterly Report shows total activity on your site for each quarter of a year. Remember that each page hit can result in several server requests as the images for each page are loaded.

Note: Most likely, the first and last quarters will not represent a complete quarter's worth of data, resulting in lower hits.



Quarter	Number of requests	Number of page requests
1. Q2 2006	2,873	281
2. Q3 2006	2,583	247
3. Q4 2006	2,383	313

4.	Q1 2007	2,350	330
5.	Q2 2007	2,148	365
6.	Q3 2007	2,517	364
7.	Q4 2007	2,026	347
8.	Q1 2008	3,162	466
9.	Q2 2008	3,571	392

Most active quarter Q1 2008 : 466 pages sent. **3,571 requests handled.**

Quarterly average: 345 pages sent. **2,623 requests handled.**