

Orchidland Community Association, Inc.
Approved Minutes of the Board of Directors Meeting
October 16, 2012

Call to Order: The meeting was called to order at 5:35 p.m. by David Aasve.

Members Present: David Aasve, President; Wayne Carey, Vice President; Ralph Boyea, Secretary; Derek Shimizu, Treasurer; Marti Morishige, James Kirkpatrick and D'Artagnan Josephson. Adrian Dalton, Road Manager, and Gary Dalton, Jr., were also present.

Guests: Roger Hawney.

Approval of Minutes: Wayne Carey moved to approve the minutes of August 21, 2012, as corrected.

Officer's Reports

President: David reported that he spoke to our insurance agent. Our current carrier submitted a quote for Board liability insurance, which expires November 2. The premium is \$58 more than last year.

Wayne Carey moved to increase the allocation for Board liability insurance, not to exceed \$100. Ralph Boyea seconded. The motion passed unanimously.

The Road Manager has suggested taking the manual, *Gravel Roads, Maintenance and Design*, to the County for approval as a standard for all "substandard" subdivision roads. Wayne said there may be other issues to resolve first. David tabled the issue for the time being.

The membership meeting is scheduled for October 27. Agenda items include: President's Announcements, Approval of Minutes, Treasurer's Report, Road Report, Collections Policy, and Owner Input. The agenda should be posted on the website as soon as possible.

David will announce that the meeting will adjourn by 12:30, since we must be out of the Activity Center by 1 p.m.

Marti Morishige moved to limit speakers to 3 minutes per topic at the general membership meeting.

Ralph Boyea seconded with the condition of a friendly amendment that someone in the audience may give a speaker their three minutes.

The motion passed by a vote of 5 for, Wayne Carey opposed.

David will purchase a timer before the meeting.

Vice President: Wayne said the motion to increase the MRMA to \$150 stated that *at least* \$65 will be used to repair the chipsealed roads. He suggested that more than \$65 be allocated, so the roads can be repaired sooner.

Adrian said that we have approximately 4000 feet of savable chipseal roads, including the beginning of Laniuma and Auli'i, the top of Pohaku Dr. and 40th Ave. He would like to begin repaving it in 600-foot increments.

Adrian asked that in future the motion be reworded to allow repair of unsavable sections located near savable sections. He added that we cannot afford to take any more money from the road maintenance funds for this purpose.

John Hegarty has requested Board approval for a change in his special use permit to move the building 80 feet, closer to the middle of the development. The neighbor closest to the lot supports the change, because it places the building further from his home. John said his development is not for sale.

Ralph said the design change eliminates 10 parking spaces, and the building now blocks the exit road onto 37th Ave. We need to see a revised plan before we can approve it.

David said the Board will send a written okay for the change upon receipt of a final plan revision.

Wayne said the container on the Community Lot leaks and is not being used. He asked when we bought it and for how much, and whether we should sell it.

Roger said it was bought for \$2500, he thinks from RMC funds for storage of road materials.

James said it could be used to hold materials for building on the lot.

Adrian said he has to keep moving the container around the lot, because the maintenance area is so small. He recommended selling it.

Ralph Boyea moved to table the issue of selling the container until the next Board meeting. The motion passed unanimously.

Wayne Carey moved to start a formal file to collect correspondence and other information from the County and State that shows we do not get the same services as other communities. The motion passed unanimously.

Secretary: Ralph reported that he received no correspondence since the last meeting. There were 22 phone messages, with 9 concerning fees and billing and 2 changes of address.

Police dispatch called on September 17 to report a 3-car accident on Orchidland Dr. and to request OLCA's help in cleaning up an oil spill.

Ken Williams of Electric Sky will film a documentary on lava tubes on the Big Island. He wanted to talk to anyone who knows about a bulldozer that fell into a lava tube.

Derek received a call from an owner who wanted to work out a payment plan. Ralph said he tells owners to "pay what you can, when you can."

Treasurer: Derek reported 56.8% compliance for MRMA's. As of today, the fund balances are:

General Fund	\$ 13,767.42	
RMC Fund	\$129,882.64	
RMC Emergency Fund	\$ 15,131.04	
Paving Fund	\$ 3,227.51	
Administrative Fund	\$ 45,955.09	
Capital Fund	\$ 6,672.21	
Legal Fund	\$ 92,861.98	[\$76,465 in CD]

Derek said \$82,268.52 of the RMC fund is earmarked for chipseal repair.

Our corporate seal stamp is unreadable and must be replaced before we can release or place liens. Derek recommended changing to a rubber stamp.

Wayne Carey moved to allocate up to \$300 for a new corporate seal. The motion passed unanimously.

Derek has received a request for paperwork for the audit review for this fiscal year from our CPA. A full audit will be required for 12-13.

Road Report: Wayne contacted the State and was informed that funds have been approved for an environmental assessment for the widening project on Highway 130. He said it will probably be 10 years before the project begins.

The RMC has requested \$25,100 for the following projects:

Sign posts and labor	\$ 5000
4 loads of gravel for volunteers	\$ 1650
1 load of coldpatch	\$ 2600
2 loads of gravel for 36 th Ave.	\$ 850
Repair Pohaku Dr./40 th Ave.	\$ 5000
Fill lakes on 39 th , 40 th , 41 st	\$10,000

Wayne moved to approve \$25,100 for RMC projects. Upon review of available funds, he withdrew the motion.

Of the \$47,614.12 available for road maintenance, \$28,000 is already encumbered, leaving less than \$20,000 in the fund.

The Road Manager submitted a change order for the repair on 35th Ave., with a new cost total of \$23,498.52 for a 110-foot concrete slab, grading and compacting.

Wayne Carey moved to accept the change order for the main road repair on 35th Ave. The motion passed by a vote of 4 for, 0 opposed. Ralph Boyea abstained.

Wayne Carey moved to approve up to \$8000 for sign posts and installation of entry signs. The motion passed unanimously.

Wayne Carey moved to approve \$2600 for one load of coldpatch. The motion passed unanimously.

Marti Morishige moved to approve \$850 for 2 loads of ¾-inch basecourse for volunteer projects. The motion passed unanimously.

James said Michael Genaro has the first set of signs ready to be picked up.

Old Business

Collections Policy: Wayne said the November 19, 2011, general membership motion outlined how collections should be handled. These points, as well as the topic tabled by the President at the August Board meeting for discussion by the committee have not been discussed by the Collections Committee. He feels that the committee needs to meet again to consider proposed revisions before the policy is submitted to the Board and the community.

Wayne added that he believes the proposed policy conflicts with Hawaii Statute 414D governing, which requires volunteer membership and prohibits placing a liability upon any member. He said OLCA is not and the courts cannot require us to form a homeowners' association.

Derek spoke to a deputy attorney general in Honolulu about Statute 414D-86 and was told that consent or acquiescence is necessary before liability can be incurred. Shared liability for the roads existed before the Association was formed, and if any lot owner does not meet his liability, everyone else's liability is increased. "That is not an obligation which can be dismissed because we don't want to be a member."

Ralph said, "We have two directives from the courts to collect road fees. Everyone who owns a portion of these roads has an obligation to help pay for the roads. The community association is the only entity recognized by the courts to collect road fees, so we need a collections policy."

Ralph said the draft policy was discussed item by item, corrected, typed and emailed to committee members for further discussion. He moved to bring the collections policy draft to the general membership, but withdrew his motion.

Derek said the committee is obligated to come up with a workable Collections Policy. We considered the general membership motion and found it unworkable.

Ralph, David and Derek agreed with Wayne that the Collections Committee needs to have at least one more meeting before a policy can be approved.

Because Dennis (the committee chairman) is out of the country, it cannot be resolved before the general membership meeting. David suggested informing the membership that in developing a Collections Policy, we have encountered problems which have not yet been resolved, and a policy cannot be approved until the Collections Committee comes to an agreement.

Roger said that for the first 30 years people bought property understanding one set of rules; for the next 20 years people bought property understanding a completely opposite set of rules. So now we have a very, very divided community and a divided Board. "The State and the County are very much responsible for the situation that we're in today."

Adjournment: The meeting was adjourned at 8:45 p.m.

Submitted by:

Kirstie Goin, Recording Secretary

Ralph Boyea, Corporate Secretary

Motions Log 10-16-12

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