

**KANALOA AT KONA  
ASSOCIATION OF APARTMENT OWNERS  
MEETING OF THE BOARD OF DIRECTORS - MINUTES  
JULY 26, 2024 | 9:00 AM HST  
KANALOA CLUBHOUSE AND ZOOM VIDEOCONFERENCING**

**I. CALL TO ORDER**

President Wayne House called the meeting to order at 9:02am.

**II. ROLL CALL/ ESTABLISH QUORUM**

Board of Directors Present in Person: Wayne House, Stephen Tanberg, George Pittman, Wendy Benson, Bill Wesslund, & Mikel Bryan. Bill Lamberton was present via Zoom.

Managing Agent Representatives: Castle Resorts & Hotels – Jim Heather, David Saito, & Renette Carpio (in person) and Dean Yamamoto (Zoom).

Various owners were present in person or via Zoom videoconferencing.

**III. PROOF OF NOTICE OF MEETING**

Notice of meeting was posted on July 22, 2024.

**IV. APPROVAL OF MINUTES**

**MOTION (1):** Steve Tanberg moved to approve the minutes of the 4/26/24 regular board meeting as presented; seconded by Wendy Benson. The motion was approved by majority consent with one abstention by George Pittman.

**V. PROPERTY MANAGER’S REPORT (Jim Heather)**

- a. Grounds – Staffing has been consistent through the 2<sup>nd</sup> quarter. The walkways leading to the Ocean Pool have also received new plants greatly improving the arrival experience to the pool. An ongoing issue was addressed at the 37 building of exposed irrigation pipes with new ginger being planted along with soil replenishment and mulching. The coconut trees were trimmed in May and the next trimming will be prolonged to keep the trimmings down to two times per year to save money on this year’s budget.
- b. Irrigation – Irrigation Solutions has completed three of the five phases of the irrigation renovation project. With the three largest areas of the property completed, water usage for irrigation has been controlled and there is no longer large swings in consumption due to leaks.
- c. Security – A new security guard, Fred Bolanio was hired due to the resignation of Tomas as our graveyard security guard. All Guard Cards issued in Hawaii expired at the end of June. Kanaloa staff have renewed their cards..

Recurring Complaint Log - Parking violations - 7; noise complaints – 16; House Rules violations – 58; smoking on property – 4; locked out of unit – 7.

**Non-Castle Rental “Go Show” Report:** Security has been logging when non-Castle STVR guest arrive at Kanaloa without any reservation information being provided in advance. In the hotel business we call this a “Go Show” which is the opposite of a “No Show”.

The tallies for April through June are as follows:

April – 35  
May – 30  
June – 40

- d. Maintenance – John resigned earlier this year and after a long search, Jake Branch was hired.
- During Q2 the renovation of the trash enclosure at building 1 was completed. New signs were engraved for the directional signs. The Ocean Pool pavilion beams and picnic table were repainted. The door to the security shack was replaced. Due to short staff, we focused on work orders and smaller projects. There were no large reserve projects requiring Kanaloa’s maintenance team in Q2 like carpentry ahead of exterior painting. Kanaloa has partnered with Kona Air Conditioning to provide a flat rate PM program to check unit air conditioning systems. Over 45 owners have signed up for the program. There were no major residential water leaks in Q2 however there were a number of unit water shut off valves that needed to be replaced due to plumbing inspection repairs.
- e. Reserve Projects – Roof repairs have been completed by Kona Roof Remedies on the roof above unit 805. The cause of this leak was due to issues with the underlayment and flashings. The area was re-shingled, and the leak has not reoccurred.
- Major reserve projects for the year:
1. Asphalt Resurfacing: September through November
  2. Ocean Pool Building Reroofing: Completed
  3. Trash Encloser Rebuild - Building 1: Completed
  4. Irrigation Repairs Phase III: Completed
  5. Ocean Pool Bathroom Remodel: Design phase
  6. Structural Post Repairs – Buildings 15 – 37: Completed up to building 28 as if 7/22/24.
- f. Pressure Reduction Valves (PRV): The installation of the PRV for the residential water supply main for two of the seven residential water mains servicing Building 9 – 14 and 15 – 20 has been completed.. This has corrected seven of the 14 buildings with PRV issues.
- g. Termite Tenting - Pilot Phase I in August 2024 – Buildings 4 & 8 will be done first in addition to the main office lobby and main pool/bathroom as well as the maintenance office building. Scheduled for August 18 to August 23. More details may be found on the AOAO Communique.
- h. Unit Interior Plumbing Inspection: Currently 94 units (57%) have reported completing the repairs noted on the plumbing inspection report. 20 units (12%) have reached out for quotes but have not reported completed. 52 units (31%) have not given any update.

## **VI. OFFICERS / COMMITTEE REPORTS**

- a. President’s Remarks (Wayne House) – President House welcomed new board member Bill Wesslund, who was appointed by the board when Judy Wormington resigned in April. He will serve until the 2025 annual homeowners’ meeting.

The fine policy and HO-6 insurance requirement policy were both approved by majority owners. The fine policy will be posted on the Communique and the HO-6 letter will be sent to owners by the AOAO insurance broker.

President House stated that termite tenting for buildings 4 & 8 and the admin buildings will be done in August with the balance of buildings to be done in April and May 2025. Special assessment notices were sent to all owners in June in two installments with 50% due by 10/15/24 and 50% due by 3/15/25 (or if opting to pay in full, 100% due 10/15/24).

Insurance special assessment notices were also sent to owners in June with payment due by 8/1/24. If an owner is on autopay, the payment may be conveniently deducted for you.

Reminder to owners regarding monthly maintenance fee payments, if on autopay, be sure to notify your bank of the correct 2024 amount. There are some owners in arrears for payment of maintenance registration fees. Letters will be sent to those owners shortly.

Plumbing inspections – deemed a high-risk component, the AOA may enter a unit per Hawaii Revised Statutes 514B-138(d) if components are not compliant following inspection. The AOA may complete the work (if not done by owner) and bill the owner accordingly. Electrical inspections will be discussed at a future board meeting.

Water Leak Mitigation Committee – President House asked that the committee start looking into re-piping and lining (epoxy coating) options.

- b. Treasurer’s Report January through June 2024 (Wendy Benson) – Treasurer Benson presented a report on the financial highlights for the period January - June 2024. See Exhibit A attached to these minutes.
- c. Special Projects Report (George Pittman) – Chair Pittman reported that the paving project is on schedule and due to start in Section 1 on September 3<sup>rd</sup>. Asphalt vendors were changed due to noncompetitive pricing so the schedule will include trucking from Waikoloa (may add a day). Based on feedback at the April’s owners’ meeting, there will be intermittent shorter stops for access on both sides of vehicle. Car plan – for covered vehicles and owners not on-island, cars will be moved August 29-30 to the Water Services lot where vehicles will be safe (but likely to get dirty). Be sure Ken has your car keys! Pools will be opened. All residential units will be accessible (by foot) but the recommendation is to not rent during your section/phase; each section will take about one (1) week however there will be no work during IronMan (October 26).
- d. Investment Report (Wendy Benson) – Chair Benson reported that the value of the Kanaloa Reserve Account as of July 2024, was \$1,921,503. Included in this amount were Certificates of Deposit (CD) totaling \$1,515,000, cash reserves in the UBS Business Bank and investment accounts of \$24,243 and \$8,224 in Credit Union Money Market accounts. (\$374,306) was owed to the reserve account by the operating account at the end of July.

The committee continues to monitor and reinvest CD’s as they mature. Funds have been invested for 3-, 6-, 9- and 12-months CD’s at interest rates between 5.25% and 5.45%.

Your investment committee for 2024 is composed of Wayne House, President of the Kanaloa Board, Stephen Tanberg, Vice President, and Wendy Benson, Treasurer.

- e. Termite Mitigation Committee – Committee member Wendy Benson reminded that the first phase of termite tenting is scheduled for buildings 4 and 8 during the week of August 18 – 24. The admin building is also scheduled during this time but the housekeeping office and Ocean and Quiet pool pump rooms will be deferred to the next treatment period so these areas can remain operational.

## **VII. UNFINISHED BUSINESS**

- a. Planned Maintenance Update – Plumbing inspections have been completed for all units with 94 units having completed repairs.

## **VIII. NEW BUSINESS**

- a. Consent Calendar (board approved by email items for ratification) – None since the last board meeting.
- b. Incom Inc. – galvanized grates

**MOTION (2):** George Pittman moved to approve a proposal from Incom Inc, not to exceed \$2,600 to replace one (1) grate while exploring bids for additional grates; seconded by Steve Tanberg. The motion was approved by unanimous consent.

c. Other – Utility Location Contractor –

**MOTION (3):** Mikel Bryan moved to approve procuring a proposal from Island Underground Locating not to exceed \$6,900 with a reply no later than August 5<sup>th</sup> ; seconded by Wendy Benson. The motion was approved by unanimous consent.

d. Other – Audio / Visual System –

**MOTION (4):** Steve Tanberg moved to approve an audio / visual system for the AOAO as proposed by property manager Castle Resorts not to exceed \$3,500; seconded by Wendy Benson. The motion was approved by unanimous consent.

**IX. MEETING SCHEDULE**

a. Next Board Meeting – Friday, October 25, 2024, at 9:00am HST.

**X. EXECUTIVE SESSION** – Delinquency fees, legal matters. None.

**XI. ADJOURNMENT**

Meeting adjourned at 10:51am.

Respectfully submitted,



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Renette Carpio, Director of Condominium Administration  
Castle Resorts & Hotels  
As Managing Agent for AOAO Kanaloa at Kona

Approved and signed:

*/s/ George Pittman*

George Pittman, Board Secretary

*10/25/24*

Date

# YTD (August) 2024 Variance Explanation

<b>Favorable</b>	<b>Variance Amount</b>	<b>% Variance to Budget</b>
Interest Income	\$4,171	1303%
Cable / Internet	\$5,642	7%
Building	\$10,815	43%
Grounds & Supply	\$4,600	99%
Repairs & Purchases	\$4,941	46%
Salaries - Maintenance	\$22,409	13%
Payroll Taxes & Benefits	\$5,745	6%
Contract Services	\$35,739	39%
<b>Unfavorable</b>		
Electricity	\$6,771	11%
Water	\$12,550	17%
Contract Plumbing	\$11,475	82%
Salaries - Security	\$10,233	9%
Recovery - Work Orders	\$8,444	17%
Recovery - Reserve	\$15,305	55%
Insurance - Property	\$80,409	18%
Miscellaneous	\$17,855	1786%