

**Hawaiian Paradise Park Owners Association  
APPROVED – Board of Directors Meeting Minutes  
November 21, 2018**

**I. Call to Order:** President, Larry Kawaauhau (District 1) called the Board of Directors Meeting to order on November 21, 2018 at 6:05 p.m. Quorum was established. The meeting took place in the HPPOA Hui Activity Center Kitchen for the first half and concluded the second half in the Library.

**II. Roll Call:**

**Board of Directors:** Larry Kawaauhau, President (District 1), Kathleen Shaw, Vice President (District 3), Tanya Seaver, Treasurer (District 4), Craig Crely, Secretary (District 6), Mary Couch (District 2), Mayelin Stillwell (District 5), Leslie Blyth, President (District 7), Chris Anderson (District 8), David Roe (District 9)

**Owners:** Bruce Derrick, Kathryn Crawford, Terri Stratton, Parker ?, Patrick Muldoon

**Guest:** Mr. John Arbles, CPA & GM, Don Morris

**III. Approve Agenda**

Discussion of items to amend. Bylaws Committee & Nominating Committee will not be giving reports. No HR Report. **Kathleen Shaw (District 3) moved to approve the Agenda as amended. Chris Anderson (District 8) seconded the motion. Vote: Yes-9. Unanimous. Motion carried.** A discussion about amending the Agenda procedure occurred.

**IV. Approve Past Minutes**

**Kathleen Shaw (District 3) moved to table approval of the past minutes. Mary Couch (District 5) seconded the motion.** Discussion: To allow for time to do more pressing business and hear the CPA report. **Vote: Yes-9. Unanimous. Motion carried.**

**V. Report from Mr. Arbles of Iwata, Taketa & Hara**

**Audit Status Update** – Mr. John Arbles, CPA. – They are working with the Office, having them do research and things that the firm wants in order to look at the information from the last audit in depth. He made it clear that any issues they might be looking at are not to do with the office, but in how the past audit was done and some calculations in regards to the Doubtful Accounts. He gave a lengthy report stating that it would require a bit more time this first year because they are analyzing everything and looking at what procedures would serve to enhance, add or change procedurally for the office in yearly prep for their audits. Discussion about materiality vs. frequency of errors and something they are researching. When complete, they will issue a letter of Required Governance, and also a management letter will be generated with recommendations that will help improve internal controls.

**VI. President Report** – Tabled for time, but the President, Larry Kawaauhau (District 1) thanked everyone for their help and support.

**VII. Treasurer Report – Tanya Seaver**

Bank Balances as of the end of October 2018:

- TOTAL Checking, Savings, Investments and Bond Reserve: \$5,425,723.34.

If you compare this month's balance sheet to last months you will see that the decrease in cash balances corresponds with a decrease in the Bond Liability account #2040 because our first bond principal payment was made on October 1 by Union Bank.

- TOTAL Accounts Receivables: \$2,179,817.59.

Allowance for Doubtful Accounts balance is: \$1,166,810.49. (This is contra-asset account required by Generally Accepted Accounting Principles (GAAP) that records the estimated amount of receivables, which may not be collectible.)

- There were 54 property transfers completed during the month.

The Finance Committee met on 11-20-18 and voted to recommend a 10% increase in Road Maintenance PROVIDED the increase is used to pave 1 mile of road.

**Statement Regarding Unaudited Financial Information** – the unaudited financial information set forth above is preliminary and subject to adjustments and modifications. The audited financial statements and related notes are to be included in our annual report for the year ending June 30, 2018. Adjustments and modifications to the financial statements maybe identify during the course of the audit work, which could result in significant differences from this preliminary unaudited financial information.

**VIII. General Manager's Report**

The road crew is finishing up the grading and the laying down of materials on the ABC roads, as well as, up to 6th Street. We know that there are a lot of other roads in need of maintenance. The road crew has started grading and compacting some of the more problematic roads to try and take care of some the potholes before going to prep 22<sup>nd</sup> Maku'u Dead end for AggreBind.

The county has started the removal of abandoned vehicles from private streets again, which is good news for us because it was costing the association a lot of money to have them removed.

Loeffler Construction is scheduled to start the stripping project for the main road on the first week of December, weather permitting.

We currently have what I considered to be a liability issue regarding the warehouse fuel shed and the surrounding area where equipment and supplies are stored. Even with our, "Employees Only," and "No Trespassing" signs, people still walk back-and-forth through the maintenance area. I think this area should be fenced in to keep people out of this area for safety issues. I would like the board to authorize me to solicit proposals for this project.

A discussion about the fence occurred. It was noted by the GM's research, he found, in past minutes, that a board, several years ago, already approved a fence, but it never happened. The safety concern he has now is that they have people who randomly just walk through during the day and the grader cannot see around that corner until it's half way out. That's a danger. A discussion occurred regarding how it would be fenced off.

Questions about Aggrebind and areas of ponding and other mentions with a discussion about particular road trouble spots, then about the 5 miles per year timeline required per the required DOH Schedule in regards to the dust abatement agreement. By January, two miles will be completed, but then the road crew and Association will be out of Aggrebind material. A discussion about trying to get a mile or two of paving done occurred.

**Liens:** The office has processed 144 of the 299 property liens this fiscal year in support of our bond agreement.

**Equipment:** The Volvo grader is being repaired and the 1999 F-450 dump truck is also waiting for parts (fuel injectors) to be repaired. A discussion occurred about the age and disrepair of the dump truck because parts are difficult to get for it now due to its age. All other equipment is running fine at this time.

**Mowing:** The road crew mowed 69 miles of roadway easement with the side arm mower and 79 miles with the deck mower.

**Graded & Compacted:** The road crew has graded 12.5 miles of road.

**Signs:** Dust emission signs have been placed on Maku'u, Paradise and Kaloli per agreement with the DOH.

**Rubbish Pickup:** 1.75 tons of rubbish picked up.

**Abandon Vehicles:** 9 vehicles removed by county.

**Safety Report:** No accidents or injuries for the past 50 months.

Thank you for your support.

## IX. Committee Reports:

- A. **Professional Management Committee** – Terri Stratton – At the last General Membership Meeting, they dropped the minimum requirement of 10 members to 6, so that they can achieve quorum and get some work done in the group. They've received proposals from two companies solicited, with one of them wanting to do only Office Management Services. More are expected in December.
- B. **Finance Committee (Budget Issues)** – They had their first meeting, November 20, after quite a few months. They discussed road dues, and the recommended vote of Finance Committee's suggestion to raise the dues 10% with a stipulation that it only goes to paving one mile of road with that increase. Asphalt paving. A discussion occurred including about how that money is earmarked and protected if there's not enough money to pave a whole mile, and to prevent future boards from using it for other things. The GM noted that that's what a capital improvement does. The Fee would go from \$328 to \$360 per year.
- C. **HR Committee** – Someone resigned, so they need another volunteer for the committee. Although, two people is still a quorum, they really need at least another person, so they will try to solicit on social media as well as on the website. They had previously met about evaluations. They wanted to work on changing policies.
- D. **Halloween Committee** – Kathryn Crawford -Gave an Expenditures Report, but then re-collected the written data after she finished speaking. No paperwork was furnished to Recording Secretary with Kathryn Crawford stating "privacy concerns." Kathryn categorized the event as a success and reported a guess of 200 children in attendance. They gave out 209 free ice cream cones. She reported that it ended up that they received a lot of private donations and business donations. She gave several thanks to the board and a particular board member's business affiliates as well. There were 18 stations at the event, to which she stated that although charging children for the tickets would help them learn responsibility, the committee finally decided to give each child one ticket for each of the 18 offered stations, then required payment to purchase more tickets, if the children desired more visits to a station, which she reported few did.

There were no accidents or injuries were reported although a board member noted that there were some choke toys at the event, so those should be eliminated for next time. Kathryn Crawford finished her report stating that the committee will evaluate the stations and make it more successful next time, then she recollected back from each Board member all of her accounting information of the money, assuring everyone it was all done transparently, stating that the Total cash received was \$1,548. Total "Other" received was \$154, for a total of \$1,664.83, of which she wanted it noted that she and the co-chair together gave a total of \$121.83, but they decided that they didn't want a reimbursement for their donations and would let them stand as their donations to the event. In total, per her accounting, they made a \$50 carry over for next year. It was then noted by those in the room that the Association cannot hold over money for non-road related line items, so, upon reflection, Kathryn decided to instead give that \$50 for cookies at the upcoming Santa event.

**Chris Anderson (District 8) moved to give two hours plus cleaning time for an event. Leslie Blyth (District 7) seconded the motion.**

Discussion: A Santa photo celebration is the planned event for mid December, possibly 14<sup>th</sup> or 15<sup>th</sup>. Volunteer Santa and volunteer clean-up help will be needed. **Vote: Yes-8, No-1(Larry Kawaauhau). Motion carried.**

- E. **Mailbox Committee** – It was reported that the new chair is Kim Kuffel – a letter for point of contact with USPS was distributed because they now want to have the new chair instead of the now resigned chair, Mike Smith be the point of contact. We are on hold and need a point of contact. We're waiting for their okay and thoughts on our idea. A discussion occurred about point of contact person and the feeling that the GM should be that person, since it's his job to over see things happening in the park on a daily basis, but they stated that because he's not a member, so they dismissed that option.

There was a discussion of concern about the fact that USPS only wants to deal with one contact person, but if that person is given power that still makes the board and association on the hook for liability. A further discussion about the property on Kaloli, which is not owned by the association, and then a huge discussion occurred regarding the section of HPP in which each lot owner also owns a percentage of the roads.

History of the now dismantled Board Mailbox Committee was discussed including a letter from the U.S. Post Office that notified them some years ago that they were going to stop delivering to the boxes we have now citing danger as one of the reason, so it seems hard to believe they'd allow more clusters on the road now. A community member clarified that HPPOA owns the easement in increment 1, and they own land and easements in Increment 2, et al. The court has granted easement rights, which are like railroad rights. A board member noted that even if the Association owns the easement, it still butts up to property that people own, and there are county codes of setbacks, which also have to be taken into consideration.

The Membership Committee member stated that HELCO's rep said she didn't give a hoot by phone, what they do, so their goal is to have cluster boxes in front of lots owned by HPPOA.

Discussion about blending the information available from the former board mailbox committee with the information of the Membership Mailbox Committee for a more holistic approach to getting mailboxes for the park using all the good data everyone has gathered from both groups.

**Chris Anderson (District 8) left the room @7:27**

A community member wanted it noted that our 4 high volume roads are not allowed to have mail boxes, so if clusters are a possibility, they have to be on side roads. A Board member agreed and added that the Association even received a letter about losing delivery to the boxes already in the park. Further discussion about the committee occurred.

**Mary Couch (District 2) moved for the board to sign a letter to have Kim Kuffel be the new point of contact with the USPS. Leslie Blyth seconded the motion. Vote: Yes-5, No-2 (Larry Kawaauhau/District 1, Craig Creelly/District 6), Abstain-1 (Kathleen Shaw/District 3).** Tanya Seaver (District 4) asked to be notified next time the membership Mailbox Committee plans to meet with the postmaster and that was affirmed by Mary Couch that they would.

**Chris Anderson (District 8) returned to the room@7:47**

F. **Bylaws Committee – Tabled**

G. **Nominating Committee - Tabled**

X. **Owner Input**

Mayelin Stillwell – Stated that the lot owner petitioning to recall had a poster at General Membership meeting, which it included misinformation. [FULL STATEMENT ATTACHED]

Terri Stratton – Stated that she also saw the poster calling for District 5's Recall, but didn't look at it thoroughly because there's a lot of back and forth happening; however, she did note that she saw her name on it and she was concerned because she saw emails on the poster board that she stated she had never seen, or received, so she was concerned with and wanting to make sure that no one's personal emails are put out there that they are not made public in minutes or on the poster board. She stated that she tries to stay neutral, has her own opinions, not necessarily lumped into one group or another, but either way, she definitely wants everyone's privacy protected.

At this point, the newly resigned Secretary, Mary Couch (District 2) confronted the Recording Secretary wanting to know why the Recording Secretary had not attached the attachments when it says "see attached." The Recording Secretary replied that her job requirement as hired is to be a Scribe, taking notes on the minutes, but it is the job of the Secretary, to attach all documentation, when noted; therefore, Mary Couch who was Secretary until this meeting was supposed to have done that. Mary Couch was surprised to learn this information and then declared how good it is that she stepped down as Secretary because she "wasn't a very good Secretary and didn't know" that she was supposed to have been doing that.

Mary Couch then read an email, which she stated she photographed at the General Membership Meeting from the poster board calling for District 5's recall. Mary was upset because the email inferred that Mayelin Stillwell helped manipulate the outcome of the election by using Mayelin's position on the Nominating Committee, which the poster with petition calling for Mayelin's recall stated was a conflict of interest. In retort to the email, Mary Couch stated that she personally looked up 400 addresses of her constituent's and mailed them things that she personally signed, as well as walked her district and spoke to them, so she rightly earned "*the stupid 100 people that responded – I earned them, okay! I was not fixed by any committee and I find this very offensive;*" therefore, she wanted the email with those accusations attached by her replacement as Secretary.

A discussion occurred about the emails on the poster board and it was noted by a board member that wherever these emails came from they aren't director emails nor within the date of any of our directors who were on the board at that time, all Mary's emails on that yellow board were noted.

A discussion occurred about Mayelin Stillwell (District 5) posts as "Mermaid" on Puna Web.

Discussion about past practices occurred.

#### XI. Community Resource Report (Albizia, Fire Ant, Emergency Access Team)-Judi Houle-absent/no report.

#### XII. Old Business

- A. Ratify agenda change from Special Meeting on November 5, 2018 - Kathleen Shaw (District 3) moved to ratify the Agenda changes made at November 5, 2018 Special Meeting. David Roe (District 9) seconded the motion. Vote: Yes-6, No-0, Abstain-3 (Leslie Blyth/District 7, Mary Couch/District 2), Mayelin Stillwell/District 5). Motion carried.
- B. Road Fees – Chris Anderson (District 8) moved to increase road fees 10% with all newly generated fund from that 10% increase to go strictly to paving with asphalt. Discussion: A mile or not? Then discussion about prep work, the base, foundation, et cetera. Whoever the licensed contractor is who does the paving, they can have HPP do the prep with the contractor overseeing it. It was noted that no one is going to guarantee a job using someone else's prep work. We can save money by having our crew do the road prep work, but with the licensed contractor directing and approving it as it is done.

Discussion about the six Road Crew employees being spread thin. Lengthy discussion occurred regarding paving and the use of the increased road fee use. Chris Anderson (District 8) moved to raise the road maintenance fee by 10% and that 10% is to be allotted to only asphalt paving done by a licensed contractor. Kathleen Shaw (District 3) seconded the motion. Discussion: HPPOA doesn't have the machines or manpower to do it. Vote: Yes-6, No-1 (Larry Kawaauhau/District 1), Abstain-2 (Leslie Blyth/District 7, Mayelin Stillwell/District 5). Motion carried.

*Larry Kawaauhau (District 1) left the meeting for work at 8:32 p.m.*

*Vice President, Kathleen Shaw (District 3) took over chairing the meeting.*

- C. Road Paving – Kathleen Shaw (District 3) moved that the Association pave at least one mile using the money we have currently, with appropriate bids by the next board meeting of December 19th. Chris Anderson (District 8) seconded the motion. Discussion: GM will solicit for three bids. Watson paving has been doing Ainaloa and he just bought a new paver for \$750,000. He guarantees. GM speaks Mr. Watson biweekly and will include soliciting him for the bid. **Vote: Yes-8 unanimous motion carried.**
- D. AT&T Contract – Chris Anderson – AT&T has made an offer to erect a tower on the property. Terms of the offer were discussed at depth. Chris Anderson (District 8) moved to send contract to an attorney for review. Tanya Seaver (District 4) seconded the motion. **Vote: Yes-8. Unanimous. Motion carried.**
- E. Civil Rights Policy – Although the Board has previously voted on it, they wanted to make sure it was clearly in the record. Kathleen Shaw (District 3) moved to accept the Civil Rights policy as returned by the attorney. Craig Creely (District 6) seconded the motion. **Vote: Yes-8. Unanimous. Motion carried.**

#### F. Forensic Analysis

Mary Couch wanted to rescind and make a new motion in regards to the Forensic Analysis because the words and the meaning of "move forward" were in contention. Discussion about intention versus the words 'move forward' occurred at length. The majority of the board members agreed that their intent was to have Mayelin Stillwell "move forward" with finding out what was required to engage the auditor, not to actually engage him, at least until after the audit was done first because the new firm is doing an extensive audit. Mayelin Stillwell moved forward and verbally engaged him, so the auditor asked for \$5,000, just to sign the paperwork, but for how many hours of work?, the Board asked Mayelin Stillwell. That was the information the Board told Mayelin Stillwell that they wanted for her to ask him. They wanted to know the things that would be required to move forward like an estimate, a proposal, when he could start, but the board now has no idea what the plan is and if they sign the engagement letter they would be essentially giving an open check book to him. The bottom line is that it is our fiduciary duty to spend our community money in the right way, not on lawyers and forensic analysis. Furthermore, the return for a forensic analysis is nothing because the chances of you getting back even a fraction of what you lost are nil.

That is where the information process comes in like maybe we should ask how many cases went to court, got prosecuted and recovered with the Forensic Auditor. Mayelin Stillwell stated that this kind of work is an unknown. David Roe (District 9) replied that he specifically remembers that the Forensic Auditor said at his presentation last year that he wanted the Association to tell him what we're looking for and that's not even been discussed. Coming up with a plan is needed because the forensic auditor's service agreement is exactly what the new current auditor for HPP is doing right now! Mayelin stated it would be different. Tanya Seaver (District 4) Treasurer then noted that one year for our current auditor costs \$25,000, so by more in depth, the question then is if it's four times more in depth then won't it be four times more expensive than that?

It was suggested by a community member to him for a statement of work, which is standard – and very important for anything financial work. Then another community member asked if the Board has seen the current audit results and queried that it would seem prudent to look at current audit costing \$25,000 being done by the new auditor before going beyond since that audit is clearly, as heard is obviously happening in the extensive report given this evening by the new auditor?

A board member agreed that the board must at least first looked at the regular audit in progress and see if they find any flags first, this seems prudent to table forensic audit until we get the regular audit's results.

It was noted that the only red flags on last audit was and auditor issue, not an internal management issue e.g. the GAP formula the old auditor was applying was not correct. It was an accounting principle and not mismanagement of money. The GM in fact had argued with that past auditor over the handling of doubtful the accounts numbers as he, like the new auditors, felt the number application system used was not correct.

One thing was certain to the Treasurer, from what she read of all the old minutes, if a Forensic Audit is done, it should start in 2007 when the bond mess began. A discussion about when to start occurred. The GM noted in the discussion that the current auditor has identified accounts that were closed four years ago! The Treasurer stated that she asked Mr. Arbles, if we were to do a forensic analysis, with her thought that it would be best to start with the bond and our new auditor agreed.

Kathleen Shaw (District 3) went through every motions log from 1997, and more, she noted that in the July of 2008 minutes, that board had the money, they dissolved the Finance Committee for six months and when it came back as a committee it came back as a Budget Committee only, so we have six months back then as somebody being a treasurer that no one was overseeing. It is readable what was said to have been done, but the bigger concern is who was directing that person back then? The Treasurer at that time was doing whatever they wanted. Discussion continued.

Mayelin Stillwell wanted to know what to tell the membership. It was noted that since the Forensic Audit will cost the membership \$100,000 to \$150,000 or more of the community's road maintenance money with no known return, and since there were only 99 people at the General Membership Meeting that voted for forensic analysis, this needs to be brought to the entire membership via a mailing in the billing to decide if they want to spend at least \$100,000 for a forensic audit.

It's just so much money that could be going to roads and with statistically no return likely, the entire membership needs to be involved. A board member noted that this is important because the Forensic Analyst himself stated that he doesn't want to start if we run out of money, so we as a board must have an idea of how much it's going to cost to do it, an idea of cost for the range that we have a planned if he did it, and it must be based on getting a statement of work from him.

**Mary rescinded her motion.**

***Leslie Blyth (District 7) left the meeting at 9:03***

More discussion occurred. Craig Creelly (District 6) noted that the motion back at the General Membership meeting was to go back ten years and he voted for it. Back to 2007 was definitely mentioned. David Roe (District 9) and Chris Anderson (District 8) agreed. It was also noted that if they were going to have the Forensic Analyst look at this year, they would at least need to wait for the current new auditor to at least finish.

It was stated by several Board members that to agree to a Forensic Audit, it must be done when the highest degree of malfeasance was present and that was July of '08. A board member noted that back at the time, that Treasurer announced they had made \$100,000 interest and made a \$400,000 bond payment.

**David Roe (District 9) moved to come back to next meeting with an exact statement of what the motion was (in the General Membership Meeting that voted for forensic analyst). Craig Creelly (District 6) seconded the motion.** There was discussion, but they make a time frame within the motion; however, it was vehemently agreed during the discussion that the membership wanted to go back ten years. Mayelin maintained insisting the membership wanted now and not ten years ago, then conceded that it was in the discussion that all at that General Membership meeting did mention going back ten years. Mary thought Craig had video'd the meeting and wanted him to look. The GM noted that if you start now and go back four years Mayelin will be highly disappointed. The motion was read from the General Membership Meeting and it stated in the discussion that the membership wanted to go back to 2007. **Motion died.**

**Kathleen Shaw (District 4) moved to obtain a Statement of Work (SOW) from Mr. Guenthener for one fiscal year and have the Treasurer involved in the discussion. David Roe (District 9) seconded the motion.** Discussion. Mayelin was concerned about continuing as the only point of contact and wanted her name added in to the motion. She wanted to continue to be the only one to interact with him and stated she'd do so by email, but the Treasurer will meet with him. A discussion occurred with almost all agreeing that having one point person is never a good idea, but especially since there is disagreement within the board because Mayelin is pressing to have last year audited and most the others on the board want back to 2007 or 2008 during the dates when the bond originated. Mayelin insisted he wouldn't return, but he wants to work with us and lower the fees by having volunteer board members to help do the paperwork, but it was noted that could have potential confidential papers. We want a disinterested neutral third party only. Kathleen amended her motion to add and Mayelin Stillwell (District 5), after requesting Mr. Guenthener return, at no charge, to speak to the entire board to have all Board questions answered first. **Craig Creelly seconded the motion. Vote: Yes-7. Unanimous. Motion carried.**

#### G. Bylaws Review

The bylaws clearly state that the bylaws committee has to bring their recommendations for changes to the Board before it's brought to the membership. A lengthy discussion occurred. All membership committees are advisory and the Board makes decisions. It was noted that one of the recommended changes in the conflict of interest section would nullify the entire community from being on the board. Article 11, Section 3 page 19 discussed.

**Break at 9:30 p.m. to move from Kitchen into Library**

**Back in at 9:38 p.m.**

Bylaws Review discussion continued with Mayelin insisting the recommended bylaws changes be sent out immediately.

Tanya Seaver reported from her reading of the minutes that the bylaws committee was created to amend a couple things in the bylaws for the Board at that time, but the Bylaws Committee returned and instead stated that they wanted to do the changes wholly, and then present all their recommended changes at one time. At that time they stated it was in order to save cost to the Association and to better make sense of the Bylaws so that they had parity, but now the Bylaws committee has come back without the original changes they were tasked to change and they are asking for only four recommended changes to be sent to the membership rather than all their changes that they've been working on for years since originally being tasked to make a couple changes to present that still haven't been offered to the Board.

Mayelin stated that they're not saying they've made all the changes, but no, instead, she stated they've found an open door "so we decided instead of going through the whole dang thing we could get professional management instead" so we, in the Bylaws Committee, decided to give the membership that option instead.

The committee has come back with only four changes, after years of us getting reports from the Bylaws committee of how they'd made it to this section or that, but now Mayelin stated that she and those in the committee changed that. Mayelin stated that "now we're thinking, why go all the way to the end and not incorporate bylaws that would accommodate professional management." If they vote for professional management, then certain bylaws have to be changed, "so why change five to seven things if we're going to go backwards" and do those other changes? The Bylaws Committee wants to go ahead and spend \$5,000 to \$7,000 for mailings to send out only four changes, instead of an entire completed recommendation of changes for all the sections as previously reported was the plan for several years and hence was now the reason why they never did the three changes they were originally tasked to do when they were created.

The GM noted that the bylaws actually do already encompass professional management. We all have an indirect financial interest and the promoted conflict of interest bylaw change would require the entire board to step down and the one professional management company currently being considered would also not be useable due to that newly suggested bylaw change because the owner of Daylum also owns a lot in HPP.

Mayelin then went on to state that an attorney looked at the proposed Bylaws changes and they are fine. It was noted that the Board still hasn't seen anything in writing to this effect. In attempting to defend this point Mary Couch stated that she was just listening today to her private recording of the Executive Session Meeting Minutes and this revelation stopped all conversation to direct attention to the illegality of her having recordings when no one is supposed to be recording Executive session minutes except the Recording Secretary. A discussion ensued. Mayelin asked to show her where it is that she can't record Executive session meetings.

The committee advises the board. It is in the bylaws. Article 10 Section 1B was read: The committees of the Board are elected by the membership...are advisory...and their recommendations are subject to review and approval of the board.

The board has a fiduciary duty to not spend \$6,000 on mailing out changes for three things when they can spend that same cost for all the changes at once. **David Roe (District 9) moved to have Newton Chu come in and have this discussion for all. Tanya Seaver (District 4) seconded the motion.** Discussion: It was noted by a board member that the changes on the paper presented to the board now is different than the changes presented at the General Membership meeting. One of the proposed bylaw changes was read and it give huge power to the bylaws committee to amend the bylaws anytime they want to without oversight from the board or anyone. The Bylaws Committee wants full power with their proposed change. The GM stated that per the bylaws the board has absolute power.

David Roe (District 9) stated that they had a paid consult with Steinberg and discussed whether the BOD has the right to make changes as we see fit based on membership input and his response was basically whoever holds the purse strings makes the rules. Anything that the Board feels they have a fiduciary to modify in the interest of the association. No one can do anything on a committee without Board approval. Unless there's written board approval, anything signed for in the name of the association is not legally authorized. **Motion died.**

**David Roe (District 9) moved to table the discussion. Chris Anderson (District 8) seconded the motion. Vote: Yes-6, No-1 (Mayelin Stillwell), Abstain-0. Motion carried**

#### XII. New Business:

- A. **Spectrum Contract** – Don Morris, GM - HPPOA has an existing contract started in 2005, within which Spectrum was to provide three work stations in activity center and free WiFi to the office, activity center and shop in exchange for their 800 sq ft space, which they have in pits. The contract is up for renewal, it was barter then and they don't do barter now. Only cash in /cash out. GM met with guy and spoke about computers in

library and WiFi, we thought maybe two laptop computer in office and to use them members will have to give their drivers license to use them in the library.

Spectrum is willing to give a \$2500 signing fee. They'll pay HPPOA \$700/month for use payment of the space for their equipment and charge us \$320/month for WiFi, which would earn the Association \$280/month with a 2% increase, for two options of five years. They have the existing contract and it renews next year plus the Association gets the laptops, but they won't barter. WiFi is way faster service. It's a break even situation with a money exchange instead of barter. It's basically the same deal they had with the association. It's faster service and \$12 more per month earned for the association. Anyone can get on the WiFi. It will go from 50 to 200 megabytes per second. A long discussion occurred. HPP's only investment is 800 square feet of property.

**Kathleen Shaw (District 3) moved to send GM back to negotiate with Spectrum and accept the plan, if he can't get a compromise. Chris Anderson (District 8) seconded.** AT&T won't give internet. He's trying to get cell phone service free for road crew. **Vote: Yes-7. Unanimous.** Motion carried.

B. Board Liaison for Committees - tabled

C. Format of Meeting Minutes – Kathleen Shaw (District 3) went through all the minutes from 2007 and noted that if they amended the agenda the topics were added. Past Boards also reviewed the motions from the meeting before at Board meetings to check status of past motions and see if they'd been dealt with, completed or still pending. Discussion about moving motion log status forward and making sure the things voted on are done. Discussion of action item tracking. **Kathleen Shaw (District 3) moved to put agenda changes and list of active motions as part of each month's Board meetings.** Craig Creelly seconded the motion. **Vote: Yes-7. Unanimous.** Motion carried.

XIII. Announcements:

A. Next scheduled BOD Regular Meeting is December 19, 2018 at 6pm

XIV. Adjourn to Executive Session

*Tanya Seaver (District 4) left the room@10:35 p.m.*

**Kathleen Shaw (District 3) moved to adjourn to Executive Session. Chris Anderson (District 8) seconded the motion. Vote: Yes-6, No-0, Abstain-0.** Motion carried. Meeting adjourned to Executive Session at 10:26 p.m.

Respectfully Submitted:

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Secretary

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Susan Bambara, Recording Secretary

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Date

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Date

Motions Log for BOD Meeting 11-21-18

**Kathleen Shaw (District 3) moved to approve the Agenda as amended. Chris Anderson (District 8) seconded the motion. Vote: Yes-9. Unanimous.** Motion carried.

**Kathleen Shaw (District 3) moved to table approval of the past minutes. Mary Couch (District 5) seconded the motion. Vote: Yes-9. Unanimous.** Motion carried.

**Chris Anderson (District 8) moved to give two hours plus cleaning time for an event. Leslie Blyth (District 7) seconded the motion. Vote: Yes-8, No-1(Larry Kawaauhau).** Motion carried.

**Mary Couch (District 2) moved for the board to sign a letter to have Kim Kuffel be the new point of contact with the USPS.** Leslie Blyth seconded the motion. **Vote: Yes-5, No-2 (Larry Kawaauhau/District 1, Craig Creelly/District 6), Abstain-1 (Kathleen Shaw/District 3).**

**Kathleen Shaw (District 3) moved to ratify the Agenda changes made at November 5, 2018 Special Meeting.** David Roe (District 9) seconded the motion. **Vote: Yes-6, No-0, Abstain-3 (Leslie Blyth/District 7, Mary Couch/District 2), Mayelin Stillwell/District 5).** Motion carried.

**Chris Anderson (District 8) moved to raise the road maintenance fee by 10% and that 10% is to be allotted to only asphalt paving done by a licensed contractor.** Kathleen Shaw (District 3) seconded the motion. **Vote: Yes-6, No-1 (Larry Kawaauhau/District 1), Abstain-2 (Leslie Blyth/District 7, Mayelin Stillwell/District 5).** Motion carried.

Kathleen Shaw (District 3) moved that the Association pave at least one mile using the money we have currently, with appropriate bids by the next board meeting of December 19th. Chris Anderson (District 8) seconded the motion. Vote: Yes-8 unanimous motion carried.

Chris Anderson (District 8) moved to send contract to an attorney for review. Tanya Seaver (District 4) seconded the motion. Vote: Yes-8. Unanimous. Motion carried.

Kathleen Shaw (District 3) moved to accept the Civil Rights policy as returned by the attorney. Craig Creely (District 6) seconded the motion. Vote: Yes-8. Unanimous. Motion carried.

Kathleen Shaw (District 4) moved to obtain a Statement of Work (SOW) from Mr. Guenthener for one fiscal year and have the Treasurer involved in the discussion. David Roe (District 9) seconded the motion. Kathleen amended her motion to add and Mayelin Stillwell (District 5), after requesting Mr. Guenthener return, at no charge, to speak to the entire board to have all Board questions answered first. Craig Creely seconded the motion. Vote: Yes-7. Unanimous. Motion carried.

David Roe (District 9) moved to table the discussion. Chris Anderson (District 8) seconded the motion. Vote: Yes-6, No-1 (Mayelin Stillwell), Abstain-0. Motion carried

Kathleen Shaw (District 3) moved to send GM back to negotiate with Spectrum and accept the plan, if he can't get a compromise. Chris Anderson (District 8) seconded. Vote: Yes-7. Unanimous. Motion carried.

Kathleen Shaw (District 3) moved to put agenda changes and list of active motions as part of each month's Board meetings. Craig Creely seconded the motion. Vote: Yes-7. Unanimous. Motion carried.

Kathleen Shaw (District 3) moved to adjourn to Executive Session. Chris Anderson (District 8) seconded the motion. Vote: Yes-6, No-0, Abstain-0. Motion carried.