



President's Report

Warm Aloha from Kalapana Seaview Estates, a place we all hold special in our hearts. To all new residents, welcome. I have been a resident of Seaview for 18 years and the Puna area for over 40 years. I served on KSECA's BoD for 4 years from 2004-08; two of those years as President.

Kalapana Seaview has grown through lava flows, Covid shutdown and other crisis. This area is special because it is naturally beautiful, relaxing and is home for a diverse people. Seaview does face its challenges. In 2018, lava flows covered a large part of lower Puna. Fortunately the flows did not enter Seaview but made living here difficultly because of vog from the eruption. Many people moved, most, temporarily. Since so much land was taken, it turned many peoples' attention to Seaview. Then, in 2020 we went through the challenges of Covid and many things haven't returned to normal.

All these challenges took a toll on KSECA Board of Directors making it hard to have Board Meetings and the annual AGM meetings. Things deteriorated to where early last year there was not a legal functioning BoD. There was only one person remaining trying to function as the Board. Some of the concerned long term residents/ex Board members organized a Special Meeting at which a complete new Board was legally elected and is currently serving until the AGM in April 2023. I want to extend a huge Mahalo to each Board Member in that we each see the beauty of our community and do our best to make it safe and healthy. The new Board has been tasked with getting the association back on its feet and functioning as it was meant to.

KSECA oversees 3 beautiful parks: One with a pavilion and bathroom and another at the entrance of the subdivision that overlooks the ocean. 1) There is an ongoing discussion whether the bathroom should stay open 24/7 or be locked up at night. It has been vandalized numerous times and yet some feel it is important to leave it unlocked and others disagree citing the invitation of loiterers; 2) Our beautiful front park overlooking the Pacific Ocean is a key place for ocean viewers in hopes of seeing whales/dolphins and just enjoying the peaceful beauty of Seaview. But, a number of years ago a small group of performers gathered on Sundays to drum circle. Unfortunately, this gathering has grown to over 1,000 people. Seaview landowners each own 1/933th of the parks and may be legally liable for park activities. With the help of the police and Department of Health we have successfully removed over 30 vendors, dropping the attendance in half. This area does not have adequate parking/facilities for large crowds. We still have obstinate trespassers each Sunday in the park until after dark. Some property owners support this but most don't.

It is important that all landowners are aware of our bigger challenges. I hope all of you find this newsletter informative and enjoyable. If we all pitch in to make our community the best it can be, we will never regret the challenging times because it will be worth it. I ask all of you as part owners of this beautiful community to share your thoughts about the community through our website. Please be active in voting by proxy if you will not be present at the AGM. All of our voices deserve to be heard.

-Mahalo, Robert Stearns, President, KSECA

AGM ELECTIONS, SUNDAY, 4/30/2023: Legal Identification Required

Proxy Form Deadline

Completed and notarized Proxy Forms must be submitted by
Thursday, April 27th, 4:30pm

For exception to notarization, please see KSECA Website

BALANCE SHEET 12/31/2022

ASSETS

Current Assets	
Bank Accounts	
1010 Cash in bank-operating	\$0.00
5447054 Bank of Hawaii	\$14,457.71
ING Savings/Capital One	\$15,338.30
<i>Total Bank Accounts</i>	<i>\$29,796.01</i>
Accounts Receivable	
1110 Accounts receivable	\$0.00
<i>Total Accounts Receivable</i>	<i>\$0.00</i>
Other Current Assets	
1299 Undeposited Funds	\$-3,930.52
<i>Total Other Current Assets</i>	<i>\$ -3,930.52</i>
<i>Total Current Assets</i>	<i>\$25,865.49</i>
Fixed Assets	
1670 New Mailbox Structure	\$57,398.55
<i>Total Fixed Assets</i>	<i>\$57,398.55</i>
Other Assets	
1080 Certificate of Deposit	\$0.00
<i>Total Other Assets</i>	<i>\$0.00</i>
TOTAL ASSETS	\$83,264.04

LIABILITIES AND EQUITY

Liabilities	
Current Liabilities	
Accounts Payable	
2010 Accounts payable	\$0.00
<i>Total Accounts Payable</i>	<i>\$0.00</i>
Other Current Liabilities	
2350 Unearned/deferred rev-other	\$0.00
<i>Total Other Current Liabilities</i>	<i>\$0.00</i>
<i>Total Current Liabilities</i>	<i>\$0.00</i>
Long-Term Liabilities	
2005 Mailbox Deposits	\$3,300.00
<i>Total Long-Term Liabilities</i>	<i>\$3,300.00</i>
<i>Total Liabilities</i>	<i>\$3,300.00</i>
Equity	
3001 Opening Bal Equit	\$-6,366.51
3010 Unrestrict (retained earnings)	\$89,022.94
Net Income	\$-2,692.39
<i>Total Equity</i>	<i>\$79,964.04</i>
TOTAL LIABILITIES & EQUITY	\$83,264.04

PROFIT AND LOSS**INCOME**

4001 Park Maintenance Fees	\$1,714.55
4004 Transfer Fees	\$9,750.00
4007 Late Fee	\$2,119.81
4009 Mailbox Fee	\$4,085.00
5000 Earned revenues	
5210 Membership dues	\$24,901.77
<i>Total 5000 Earned revenues</i>	<i>\$24,901.77</i>
Services	\$10,010.67
Unapplied Cash Payment Income	\$-296.18
<i>Total Income</i>	<i>\$52,285.62</i>
GROSS PROFIT	\$52,285.62

EXPENSES

4015 MAILBOX STRUCTURE	\$8,749.38
7500 Other personnel expenses	
7520 Accounting	\$4,470.39
7530 Legal fees	\$5,924.09
7540 Professional fees - other	\$28.50
<i>Total 7500</i>	
<i>Other personnel expenses</i>	<i>\$10,422.98</i>
8002 Paypal Fees	\$-19.04
8004 Bank Fees	\$50.00

8006 Taxes	
Taxes - Property	\$300.00
<i>Total 8006 Taxes</i>	<i>\$300.00</i>
8017 Pavillion Supplies	\$561.57
8023 Website	\$936.00
8024 Quickbooks Software Support	\$898.70
8027 Repairs	\$50.00
8033 Maintenance	
8034 Park Maintenance	\$25,077.77
<i>Total 8033 Maintenance</i>	<i>\$33,575.15</i>
8100 Non-personnel expenses	
8110 Supplies	\$599.86
8130 Telephone & telecommunications	\$282.00
8140 Postage, shipping, delivery	\$1,039.40
8180 Books, subscriptions, reference	\$879.11
<i>Total 8100 Non-personnel expenses</i>	<i>\$2,800.37</i>
8104 Insurance	\$5,166.14
<i>Total Expenses</i>	<i>\$54,993.87</i>
NET OPERATING INCOME	\$ -2,708.25
Other Income	
4002 Earned Interest	\$15.86
Total Other Income	\$15.86
<i>NET OTHER INCOME</i>	<i>\$15.86</i>
NET INCOME	\$ -2,692.39

**KSECA Annual Dues
starting January 01, 2023**

\$100

Due April 30, 2023

Treasurer's Report

The Treasurer's report reflects some of the challenges that arose from the consequences of previously not having a full Board. Due to financial constraints the current Board of Directors had to make a lot of hard decisions. Some maintenance programs for our parks had to be temporarily discontinued and raises requested by our contractors could not be granted.

The profit/loss statement shows a loss of \$2,692.39. Realizing the shortfall in our income and potential unforeseen expenses we have had to make the tough decision at this time to raise the dues to \$100 per year. In my opinion this is still a fair amount for the approximately 933 landowners for maintaining and improving our three parks and paying for all other association expenses.

Based on County and State mandates we may have to replace the cesspool at the Pavilion Park sooner than expected with a septic system. This will be a major expenditure for the association. Questions will be answered at the AGM, please keep questions and comments constructive to help find good solutions for our challenges moving forward.

Thank you.

- Kevin Sulgit, Treasurer



Dues! Raise? Why!?

Since this Board of Directors was elected in July 2022, we have been faced with numerous issues that hadn't been dealt with. We are concerned about not being able to meet our financial commitments. Raising dues is not something any Board truly wants to do but with our fiduciary duties to the landowners, it is essential to raise them to \$100 annually to ensure our responsibilities are met. Here is a list of reasons to raise the dues:

- * Inability to do a full trim on coconut trees, fruit trees in the parks and to continue the fire ant treatment.
- * Notified by EPA that we are not in compliance with current state rules on cesspools/septic systems. Upgrading to a septic system will eventually cost us in the 10's of thousands of dollars to install.
- * Inability to give deserved raises to our contractors who help maintain our parks. Some took cuts in their bids.
- * Need to replace a number of the Ohia posts that are the supports for the pavilion.
- * Overdue for a financial audit and need to address our delinquent taxes that have not been filed since 2018.
- * The playground is in reasonably good condition but could use some needed maintenance now and will need more investment to ensure the safety of the children of the community.
- * Need for security to address vagrants sleeping in the Pavilion, Mailbox Center or camped out in the oceanfront park.
- * Need to replace our long standing bookkeeper who is stepping down from her position.
- * Serious consideration of hiring a person to do secretarial duties for the Association

The last raise in dues happened in November of 2010. They went from \$25 to \$50. This raise to \$100 dollars is warranted and necessary. Considering the effects of Covid, particularly the last several years have been tough on many people in many ways. The Board felt it appropriate to forgive the dues for years 2020, 2021 and 2022 for those people who weren't able to pay their dues but we appreciate everyone who did pay their dues, after all the maintenance of the parks and all other association business had to continue. We did an enquiry into the annual dues in other Puna subdivisions and they ranged from \$104 to \$396.

That...Is...Why.

Thank you, Robert Sterns, President

**A friendly message from
our local Hawaii Police
Department, Pahoa
Station**

Aloha,

My name is Terence Scanlan and I am a Police Officer with the Hawaii county, Puna district, Community Policing section. I am the designated liaison for the Kalapana Seaview neighborhood watch group. I work collaboratively with you to bridge the gap between communities and local law enforcement. Often times there are questions that require a lengthy time to answer— I will make myself available to address any concerns, work to find a solution to, and/or offer helpful information as needed. I am committed to strengthening our Kalapana Seaview community and strongly support efforts to live harmoniously.

Please feel free to reach out to me at the Pahoa police station, (808)965-2716, M-F 6:45 am – 3:30 pm.
Mālama Pono!
EOM

Best Regards,
Terence Scanlan
Hawaii Police Department
Puna Patrol Community Police
Officer
15-2615 Keaau-Pahoa Highway
Pahoa, Hawaii 96778
Phone: (808)965-2716
Fax: (808)965-2719

**Proposed Kalapana Seaview
Park Policies and Rules**

Dear Friends,

As you may know, there have been a lot of unwanted activity taking place in our parks and pavilion. The Board has received a multitude of complaints from residents regarding vagrants sleeping at the pavillion, at the mailbox or camping out on the front Seaview lawn. We have also had numerous complaints about the trespassers on the front lawn on the Sunday afternoon drum circle. KSECA has been working to resolve these issues. In our efforts, we have been working with the local law enforcement who have asked us to list local rules and policies approved by the AGM that the police can help us enforce. In an effort to bring some safety and order to our parks, especially on Sundays, we have made the following suggestions for the AGM to vote on at our next AGM meeting on Sunday, April 30, 2023. Thank you.

Policies:

1. Park and Lawn areas are closed to the general public unless accompanied by a landowner or resident.
2. For any gathering the sponsoring landowner/resident has to remain with guest(s) and is responsible for all guest(s) to leave at the end of gathering or park closing.
3. The sponsoring landowner/resident is responsible for the conduct of their guest(s) and any damage to park property while in any of the Kalapana Seaview Parks or Lawns.
4. The sponsoring landowner/resident is responsible for all trash and waste removal after a park or lawn visitation.
5. Any gathering of more than a total of 25 people (residents and guests) utilizing the Pavilion, Lawn and Parks will need to submit a written request form via the KSECA website no less than 30 days prior to gathering for approval by the Board of Directors. The permit issued for the gathering needs to be displayed in plain sight.

Rules:

1. Private Park, closed to the Public
2. No Trespassing
3. Park and Lawn hours: 7am to 7pm
4. No Vending, no commercial activity
5. No Loitering
6. Pets must be accompanied by owner and leashed
7. No climbing coconut trees
8. No Camping and overnight parking
9. No Fires & Fireworks
10. No loud Music
11. No Drugs & Alcohol
12. Parking with Permit only

PROPOSED BYLAW CHANGES: These Bylaw changes must be voted on at the next AGM:

Proposed deletions are stricken through and proposed additions are underlined:

1. **AUDITS:** Article I, Section 4, F: Modifying audits from every 2 years to every 4 years;
2. **NO NONOWNERS ON THE BOARD:**

Article I, Section 3: Definitions

Director: Means a member of the KSECA Board of Directors whose eligibility is defined by being a Member (any owner of record of one or more parcels of land in Kalapana Seaview Estates (KSE) ~~or any person so designated by a revocable, written and notarized authorization~~).

Member: Means any owner of record of one or more parcels of land in Kalapana Seaview Estates (KSE) ~~or any person so designated by a revocable, written and notarized authorization presented to the KSECA Clerk from the owner of record of that particular KSE parcel to represent the interest of said owner.~~

Article II, Section 1, C: ~~MGS authorized agent(s)~~ - A MGS may authorize one other person to vote that MGS's ballot(s) in person at the AGM meeting ~~to represent their interests including their right to vote and serve as a Director by submitting to the KSEC Clerk a notarized document prior to the meeting provided the notarized document that contains all of the following:...~~ **For further information, please visit our website at: KSECA.Org**

Addendum to the 2023 Newsletter

A. NOTARIZATION of PROXIES as presented in the Newsletter

AGM ELECTIONS, SUNDAY, 4/30/2023: Legal Identification Required **Proxy Form Deadline**

Completed and notarized Proxy Forms must be submitted by
Thursday, April 27th, 4:30pm
For exception to notarization, please see KSECA Website

Article II of the KSECA Bylaws describes and defines Membership and Voting Rights. To be specific, with regard to voting and proxies, the KSECA Bylaws state in relevant part:

ARTICLE II, SECTION 1: Membership - *There shall be two classes of eligible voters: MGS Owners (s) of Record and MGS authorized agent(s)...*

C. MGS authorized agent(s) - A MGS may authorize one other person to represent their interests including their right to vote and serve as a Director by submitting to the KSEC Clerk a notarized document that contains All of the following:

- 1. Owner of Record's printed name, and signature and contact information.*
- 2. Tax Map Key (TMK) number of KSE parcel verified by the County of Hawaii Real Property Tax Office records.*
- 3. Name of designated agent and contact information.*
- 4. Length of time and purpose for which the authorization is given.*

D. The owner of record shall retain all rights to cancel the aforementioned authorization at any time by written notification to the KSECA Clerk.

SECTION 2: Voting Rights

A. Each Member shall be entitled to one vote in person or by proxy for each parcel owned provided that the membership dues are currently paid on each parcel so designated before the start of the meeting in question.

...

According to Article II Section 1, in order to be able to vote in the AGM elections, you have to either be a Member in Good Standing (MGS) or an authorized agent of a MGS with a notarized authorized agent document. There are no exceptions to this rule. The Bylaws also provide that the MGS may limit the scope of authority given to the authorized agent such as voting rights. So in other words, the proxy form is a limited authorized agent form that is required to be notarized in order to be effective. This prevents fraud and deceit on the AGM and ensures that the AGM voting process is legitimate, represents the wishes of the MGS and within the parameters of the guidelines provided by the bylaws.

B. PROPOSED BYLAW CHANGES as presented in the Newsletter

PROPOSED BYLAW CHANGES: These Bylaw changes must be voted on at the next AGM:

Proposed deletions are stricken through and proposed additions are underlined:

1. **AUDITS:** Article I, Section 4, F: Modifying audits from every 2 years to every 4 years;

2. **NO NONOWNERS ON THE BOARD:**

Article I, Section 3: Definitions

Director: Means a member of the KSECA Board of Directors whose eligibility is defined by being a Member (any owner of record of one or more parcels of land in Kalapana Seaview Estates (KSE) ~~or any person so designated by a revocable, written and notarized authorization.~~

Member: Means any owner of record of one or more parcels of land in Kalapana Seaview Estates (KSE) ~~or any person so designated by a revocable, written and notarized authorization presented to the KSECA Clerk from the owner of record of that particular KSE parcel to represent the interest of said owner.~~

Article II, Section 1, C: MGS authorized agent(s) - A MGS may authorize one other person to vote that MGS's ballot(s) in person at the AGM meeting to represent their interests including their right to vote and serve as a Director by submitting to the KSEC Clerk a notarized document prior to the meeting provided the notarized document that contains all of the following:... ***For further information, please visit our website at: KSECA.Org***

1. Audits:

Article I. Section4, F: To provide an audit of the Association income, expenses and assets every ~~two~~ four years and to make a copy of such audit or inspection available to members upon request and that such audit and inspection be made by a Certified Public Accountant or qualified accountant.

Reasoning: Audits cost \$4,000-5,000 and are not necessary for a small incorporation such as ours to be done every 2 years, 4 years will provide a sufficient oversight of our finances.

The following 3 pages refer to the next 2 Bylaw change proposals.

2. No Non-Owners on the Board:

- a. Change definition of Director
- b. Change definition of Member
- c. Board members may not vote by Proxy

Aloha KSECA Board,
Please include this proposed amendment to the bylaws in the next newsletter so that it can be voted on at the next AGM.
Mahalo,
Camilla Dulac

Proposed Amendment Article 1, Section 3: Definitions **Change: definition of Director**

From: **Director:** Means a member of the KSECA Board of Directors whose eligibility is defined by being a Member (any owner of record of one or more parcels of land in Kalapana Seaview Estates (KSE) or any person so designated by a revocable, written and notarized authorization).

To: **Director:** Means a member of the KSECA Board of Directors whose eligibility is defined by being a Member (any owner of record of one or more parcels of land in Kalapana Seaview Estates (KSE))

Strike- through to track changes: **Director:** Means a member of the KSECA Board of Directors whose eligibility is defined by being a Member (any owner of record of one or more parcels of land in Kalapana Seaview Estates (KSE)) ~~or any person so designated by a revocable, written and notarized authorization).~~

Rationale:
Non-members, aka non-owners, should not be allowed to make decisions about other people's property. They may create liabilities for owners without having anything at stake themselves. There is no need for their involvement, nor do they have any vested interest. Including non-owners on the board introduces the possibility for conflicts of interest, obviously increasing our collective risk, while providing no clear benefit to owners.

Aloha KSECA Board,
Please include this proposed amendment to the bylaws in the next newsletter so that it can be voted on at the next AGM.
Mahalo,
Camilla Dulac

Proposed Amendment
Article 1, Section 3: Definitions
Change: definition of Member

From: **Member:** Means any owner of record of one or more parcels of land in Kalapana Seaview Estates (KSE) or any person so designated by a revocable, written and notarized authorization presented to the KSECA Clerk from the owner of record of that particular KSE parcel to represent the interests of said owner.

To: **Member:** Means any owner of record of one or more parcels of land in Kalapana Seaview Estates (KSE) .

Strike- through to track changes:

Member: Means any owner of record of one or more parcels of land in Kalapana Seaview Estates (KSE) ~~or any person so designated by a revocable, written and notarized authorization presented to the KSECA Clerk from the owner of record of that particular KSE parcel to represent the interests of said owner.~~

Rationale:

For most of KSECA's existence, only owners were allowed to be board members. A few years back, this bylaw was amended to allow non-owners on the board. This has resulted in a raft of lawsuits and other problems. Owners have unique liabilities and must be able to safeguard their property interests without influence from non-owners. This proposed bylaw amendment returns KSECA's bylaw to its original language. There is simply no need to look beyond the community of owners for board members.

Aloha KSECA Board,
Please include this proposed amendment to the bylaws in the next newsletter so that it
can be voted on at the next AGM.
Mahalo,
Camilla Dulac

Proposed Amendment

Article II, Section 1: Membership and Voting Rights
Change: Board members may not vote by proxy

From: C. MGS authorized agent(s) - A MGS may authorize one other person to represent their interests including their right to vote and serve as a Director by submitting to the KSEC Clerk a notarized document that contains All of the following:

1. Owner of Record's printed name, and signature and contact information.
2. Tax Map Key (TMK) number of KSE parcel verified by the County of Hawaii Real Property Tax Office records.
3. Name of designated agent and contact information.
4. Length of time and purpose for which the authorization is given.

To: C. A MGS may authorize one other person to vote that MGS ballot in person at the AGM meeting by submitting to the KSECA Clerk a notarized document prior to the meeting provided the notarized document contains All of the following:

1. Owner of Record's printed name, and signature and contact information.
2. Tax Map Key (TMK) number of KSE parcel verified by the County of Hawaii Real Property Tax Office records.
3. Name of designated agent and contact information.
4. Length of time and purpose for which the authorization is given.

Underlines and Strike-through to track changes: C. ~~MGS authorized agent(s)~~ - A MGS may authorize one other person to vote that MGS ballot in person at the AGM meeting ~~represent their interests including their right to vote and serve as a Director by submitting to the KSECA Clerk a notarized document prior to the meeting provided the notarized document~~ that contains All of the following:

1. Owner of Record's printed name, and signature and contact information.
2. Tax Map Key (TMK) number of KSE parcel verified by the County of Hawaii Real Property Tax Office records.
3. Name of designated agent and contact information.
4. Length of time and purpose for which the authorization is given.

Rationale: Proxy voting by Board members is widely considered poor governance. Non-owners, aka proxy holders, have no vested interest and therefore should not be allowed to sit on the Board of Directors and make decisions about other people's property. Owners elect Board members not non-owners with proxies.