



Kihei Kai Nani News

President's Message

Dear Fellow Homeowners,

The KKN Board had a difficult time performing our usual duties during the past two years. As you know, we had to cancel the Homeowner's Meeting in January of 2021 because of Covid-19 restrictions on meetings. At this time, we don't know what the restrictions will be for face-to-face meetings in January of 2022, so DMI has arranged for the Homeowner's Meeting to be on Zoom to insure that it is held.

Hawaii law states: "In accordance with Act 83 (2021). Condominium and other similar associations must conduct meetings remotely in a manner consistent with state law." State law and County rules trump Bylaws, so associations are required to hold their Owner's and Board meetings remotely.

To start the process, DMI sent out a 90 day notice with the announcement of the meeting, the agenda and an application and instructions for sending a resume to apply to run as a Board member. Since we missed the Homeowner's Meeting last year we'll need to elect 5 new Directors for the KKN Board.

At the 60 day mark, DMI sent out another mailing with your proxy. To make the meeting official, we will need 90 proxies to be returned by January 27, 2022. Owners or their proxy holders will vote for the 5 new Directors. The votes will be tallied when the Owner's Meeting is held in January. Owners interested in serving on the Board may still turn in their resumes in advance of the meeting.

Office/Laundry Roof Replacement, Solar Installation and Transformer Upgrade

As an owner, you couldn't possibly be as frustrated or disappointed in the length of time it has taken to replace the office/laundry roof, install solar, replace the transformer and restore the landscaping then the Board of Directors.



Back in 2016, we began the project to upgrade and replace the office roof because of termite infestation. It took three years to get the architectural plans, the permits, and 67% of KKN homeowners to approve an Amendment for the change to the roof design. The Amendment ballot was sent out in January of 2020, but we didn't get the needed percentage until May. The island had been locked down since March of 2020, and the contractor we had lined up canceled because of the pandemic. We had to locate another contractor willing to work during that time. After a long search, we found one and were able to complete the roof replacement project while the complex was empty, saving homeowners a huge disruption with their renters. Construction on the roof began in August of 2020 and finished November of 2020. At the same time, we had turned in a request for an electrical service upgrade, and we hoped (HECO) would come out and replace the transformer we had requested by January 2021 because everything was open and accessible. This was not to be. HECO had initiated several new rules and regulations attached to transformer upgrades, which we were required to complete first:



* A retaining wall had to be built to house the transformer because of a slope behind it.

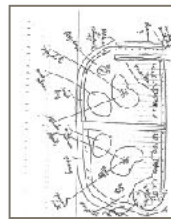


*An extra electrical box had to be installed next to the stairs.

*The electrical boxes to buildings 5 and 6, which the transformer supplied electricity needed to be changed.

* All underground conduits had to be encased in concrete per new rules.

*The landscaping had to remain open so HECO could access the area with their heavy equipment while moving the transformer to the back of the office. (Island Plant had created a Landscaping Plan for that area. Thom Foster, the owner, brought photos to the Landscape Meeting showing the variety of plants to be used, as well as the design sketch.)



After almost a year and a half of waiting, HECO has installed the new transformer, and we can move forward to finish the installation of the solar panels, the 2 large dryers in the laundry and the office landscaping. The work will begin as soon as we get County approval for the transformer.





New Solar and Dryers.

In 2014, a solar electric system was installed on building 5 to reduce the electricity bill for the office/laundry room. During the evaluation of replacing the roof of the office /laundry room, the Board decided to add additional solar panels to further decrease the electric bill, and since all the installation space had been used on building 5, we could now install more solar panels on the new roof of the laundry building, which would eliminate the gas expense of two large gas dryers and 4 large hot water tanks. The new solar panels would save us an estimated \$7,500 per year in propane expenses alone. However, since owners wanted to retain the large dryers, which were gas, we now had to purchase two large electric dryers. They needed additional wattage; thus we discovered the transformer had to be upgraded.



Cutting the expenses to the laundry room for gas and electricity is very important because even though many owners are installing washers and dryers in their units, the Association is required to maintain a laundry room until every condo has installed their own laundry equipment.



Tree Pruning

Director Pat Hoskin arranged to have a licensed arborist prune our large Haden mango tree and the two Jacarandas in front of building 7. The mango tree hadn't been pruned for many years, and because of its location next to the carwash, it had become a hazard to owners as mangos fell on both cars and people! The Board has also approved Director Jeff Kern's plan, which will improve the appearance of that area. This project should be completed by Spring, 2022.



House Rules

Watering Plants on Lanais and Walking Decks

It has come to the Board's attention that owners with plants on, or hanging from, lanais, sometimes over water them and let the water run on the lanai surface. If the water gets into a crack on the lanai and the rebar rusts it could expand the cement and cause spalling. A new House Rule will require owners with plants located on the lanai to have a saucer or pan under the plant to prevent excess water from running onto the surface of the lanai.



Owners who have air conditioners with water run off, should also make sure they are piped from the lanai to the ground to prevent spalling. Spalling repairs are very costly. This past year we spent over \$40,000 for those repairs!





Dogs

The board asked DMI for a legal opinion on our house rules regarding dogs on property since more and more people are bringing their pets, calling them support or comfort animals.

Our rules are not in accordance with Hawaii standards and must be amended. The Association cannot always require medical permission, cannot require leashing, and cannot require that the dogs not be left alone in the units.

The new rule will need to be amended to state: “No animals are allowed in units or on the premises, except service dogs or assistance animals in accordance with the Federal and State law requirement. Any person seeking to bring a service or assistance animal to the premises shall first contact the owner or rental agent at KKN to request the accommodation.”

Property Insurance Inspection

On September 7, an insurance inspector visited our property to inspect the construction of our buildings, roof repairs, landscaping around the buildings, location of garbage bins, smoking in units, etc. We have never had an insurance inspection before, but since the condo complex collapsed in Florida the insurance industry wants to know the condition of the properties they insure and what sort of risks they are taking. Our insurance cost for the property has doubled during the past two years because of all the insurance claims on the mainland. This year we experienced an additional increase causing our maintenance fee to go up by \$10.

The insurance inspector strongly recommended that owners install pans with a water sensor alarm under their water heaters. In addition, any owner with a washer and dryer in their unit, must use a rigid or semi rigid non-corrugated exhaust pipe from the dryer to prevent lint from collecting in the grooves.

Smoking in Units

An Amendment to the Bylaws was passed several years ago not to allow smoking in units. (That was one of the first questions the insurance inspector asked when he reviewed our rules.) We have noticed that some guests are getting a little lax on where they smoke. Please remind smoking guests that there is no smoking in the units or anywhere else on the property, except the two designated areas.

TAT Tax Charged by Maui

Recently, the State Legislature took away the Counties share of the visitor lodging (transient accommodation) taxes called TAT. At the same time the Legislature authorized the Counties to establish their own surcharge of up to 3%. The TAT tax of an additional 3% for Maui County went into effect on November

1. This is in addition to the existing 10.25% currently paid to the state now for short term rentals. The County will notify all owners of vacation rentals of the new regulations. The new tax, including the GET will now be 17.42%!

Property Tax Change

On January 1, 2022, lodging or dwelling units occupied by long term tenants for periods of twelve consecutive months or more to the same tenant may be granted a long term rental exemption of \$200,000 and be classified as a long term rental. To qualify owners must complete a Long-term Rental Exemption Agreement form and supply a copy of a valid signed lease agreement. Go to www.mauipropertytax.com for more information. Since unit 118 is owned by the Association and rented long term, the Board has applied for this exemption.

Future Plans - 2022 and Beyond

The Kihei Kai Nani Board has always worked together to make our property something we can all enjoy and be proud of. I have owned in Kihei Kai Nani since 1980, and I lived on property most of those years. I have had the privilege of serving on the Board many times and have seen the huge changes that have occurred. Since our property was constructed in 1970, we will continue to have maintenance issues and will continue to make improvements to the property. In the last 20 years alone, we have replaced the mansards, painted the buildings, made numerous plumbing changes and improvements, replaced sidewalks, installed solar and redesigned the landscaping. Our pool has been renovated and most recently, we have completely renovated and improved our office and laundry room area. We also purchased Lot1A, so we no longer have the threat of construction up our driveway with numerous new condos built.



Lot 1A, and how we should use it, will be one of the items that future Boards will have to decide. I urge all owners to consider running for the Board and taking part in these decisions. The Board is entrusted with the future of Kihei Kai Nani. Their decisions will determine our continued success as we move forward. Our property values will continue to rise, as no new vacation rentals will be built in Kihei, so it is imperative that more owners take a role in our future. Kai Nani is not just a monetary investment; it is also a wonderful place to call home!

Aloha and Best Wishes for a Healthy Holiday Season!
Ethel Belway, President



