



May 18, 2009

Hello Members!

Below is a summary of the May 18, 2009 *Mornings with Joe* session. Where appropriate, replies have been researched, clarified and/or expanded upon. These sessions are part of the association's continuing efforts to enhance communications to and from members. Joe Bunting, chief operating officer, hosts these meetings with members on the third Monday of every month at 10 a.m. The next session will be June 15 at 10 a.m. at the community association's administrative office located at 23 Beachwalker Drive.

Meetings are typically at the association offices but can move, so please check your news flash or our website (www.kica.us) for updated information. Representatives of the town, developer and resort are invited to attend these meetings so that questions relating to their organizations can be answered quickly.

The topic for this session was the draft Senate Bill #30 (SB30). Joe provided the nine members in attendance a copy of the SB30 draft. A copy of this draft is available on the KICA website at www.kica.us/sb30/SB-30.pdf. In going through the draft, Joe highlighted several items that raised concern for the association. SB30, if passed in the senate, would disallow contribution to reserves (CTR). This is a fee charged to buyers of Kiawah property at closing of the transaction. KICA charges 0.50% and places those funds into maintenance and repair reserves (MRR). These monies are used for infrastructure repair. This allows the association to charge lower assessments. If CTRs are removed, membership would have to absorb the cost of major repairs to the infrastructure.

SB30 would allow members to call a special meeting of the association for any purpose if at least 5% of the members demand that meeting be called. Five percent of KICA membership would be 250 members. The cost to hold a membership meeting would be significant. The bill also grants membership the right to remove any board member(s) by a majority vote of members voting, including members voting by proxy, at any meeting.

The bill addresses covenant compliance. "Upon finding that a person has violated a provision of this chapter, the department may issue an administrative order requiring the person to cease and desist and impose a fine of no more than \$100 for a violation and not more than \$1,000 for a series of violations arising from the same set of transactions or occurrences." KICA believes this to be unreasonable, citing that the cost to the membership for a violation could be much more substantial.

The following questions were posed concerning Senate Bill #30:

Q: Who or what is the driver for SB30?

A: The estimated 7,000 community associations in South Carolina manage billions of dollars in common infrastructure. Not all associations are as careful or as professionally managed as KICA. Senators have heard consumer complaints about poor boards and management practices and are seeking to make a change.

Q: Would this bill allow a two-tiered assessment for improved or unimproved property?

A: At best it is unclear. SB30 may not allow two different assessments. The same assessment applies to both improved and unimproved property.

Q: Part of SB30 addresses a non-refundable fee per member owned lot or unit. What about regime owners?

A: The regime owners would pay that fee twice, once for their regime and once for KICA. Also, KICA's concern is that the fee is small now, but there is no cap limitation.

The following general comments or questions were made by members in a round table discussion:

Q: How are real estate sales on Kiawah Island?

A: The contribution to reserves, which results from a sale of Kiawah property, are up in the month of May to date. Monthly sales have reached or surpassed October 2008.

Q: During a recent board meeting there was mention of a third party developer conveying a property, Cypress Point, to KICA. Is this a new concept?

A: No, there have been several other third party conveyances. Board policy has already been established, P-92-3. The policy states when a third party developer intends to convey property to KICA it will notify the association, but only after improvements on the property and any facilities being conveyed are functionally complete. This policy makes it easier for staff to implement and maintain the infrastructure according to the community-wide standards.

Q: Does KICA get information on infrastructure before the developer goes to the planning commission?

A: No, the planning commission only plots the land, not the infrastructure. KICA does not assume conveyance until infrastructure is complete and has been inspected.

Q: What is the status of the new decals?

A: The contractors were working at the gates on Monday May 18 to install the lines for the reader software for the new barcodes. Once laid and installed, the safety committee will test before membership implementation.

Q: What is going on with drainage pipes on Surfson?

A: At its May meeting, the board approved funding to clean out and slip-line three drainage pipes on Surfson. This is a necessary repair to 30 year old pipes that are no longer serviceable. Contracts have been drawn and signed by the COO, awaiting signature of contractor. Work will begin after completion of contracts.

Q: Could we post the demonstration of slip-lining on the KICA website that the director of maintenance recently gave to the membership?

A: The presentation was posted to the website shortly after the MRR presentation at the Sandcastle on May 5. You may view it by following this link.

<http://www.kica.us/presentation.htm>

Q: What has happened with the drainage pipes at Low Oak Woods over the last several years?

A: Several years ago maintenance did a direct dig on a pipe that had collapsed behind a member's property near Low Oak and Red Bay. Last year a culvert drain box on the street was repaired.

Q: Is there anything new on Captain Sam's spit?

A: The mayor responded that KDP had applied for additional erosion control to DHEC and the application is pending as of the date of this meeting.

Q: When I would like to print a document from the KICA website, the complete document doesn't print. Could we add a printable version button to the website?

A: Many of the documents on the KICA website are PDFs. The documents are formatted this way to enable printing ease. If there is a particular document you are having an issue with, please inform the webmaster at kicaAdmin@kica.us.

Q: Recently in a board meeting, a member gave a presentation of a bobcat study on land owned by KICA. Could you tell me about KICA common property? How much is there and where is it?

A: Most of the KICA common property is undevelopable and is in small sections - for example, if KICA needed another recreation facility it would not be suitable - but the property is very valuable to wildlife. You may view a map of Kiawah common property to help answer these questions at

<http://www.kica.us/PDFs/CommonPropertyMap.pdf>. This map is representative and may not be current.

Q: At the last MwJ, a meeting was scheduled between KICA and Seabrook staff to discuss how to work better together and encourage reciprocity and good will between the communities. How did that meeting go?

A: The meeting was very productive. The next event hosted by Kiawah and Seabrook is the 12th Annual Disaster Awareness Day on Thursday, June 4 from 10 a.m. - 3 p.m. at the Sandcastle Community Center. For more information on this event, please visit the Town of Kiawah Island's website:

<http://www.kiawahisland.org/>

Q: Was Dr. Paul Roberts interviewed recently?

A: Yes, Dr. Roberts was interviewed for the Savage Report on channel 2 regarding the proposed Cross Island Parkway. It aired the week of May 11-15.

Q: There is an abandoned rusty bike at beach access 27 that has been there for quite some time. Could it be removed?

A: Staff will remove it. [The bike and abandoned lawn chairs were removed by security on that day.]

The next **Mornings with Joe** session will be on Monday, June 15, 2009 at 10 a.m. at the association's administrative office located at 23 Beachwalker Drive. The topic for June's session is Road Safety. Joe Croughwell, KICA director of security, will make a presentation. A toll-free conference call can connect out-of-town members to the administrative conference room. Teleconferencing instructions are available on the Web at www.kica.us/mornings_with_joe.htm, or by contacting association executive assistant Tomi Moore at 1-866-226-1770, ext 217 (please contact us at least an hour before the meeting so we can expect you for teleconferencing) or by e-mail at tomi.moore@kica.us.

Written inquiries may be submitted at any time to the staff or the board at kicaadmin@kica.us.