

Regular Board Meeting
Board of Directors – Wavecrest Resort
Association of Apartment Owners
Kaunakakai, Hawaii

Date: June 15, 2012

Time: 8:00 A.M. HST

Place: Wavecrest Cabana & by *Teleconference

AGENDA & ORDER OF BUSINESS

Call to Order: The meeting was called to order by President Mike Nicholls at 8:10 A.M. HST due to dial in error.

Determination of Quorum: Mike Nicholls, President – *Jon Givens, Vice President – *Richard Felkins, Treasurer – *Annie Albritton, Secretary – *Glenn Lawrence, Director – Joe Howell, Director. Also present is Resident Manager, Gary Gonder

Owners Present: *Verne & Connie Albright A305 – Malcolm Mackey & Gaellin Quinn C305 – Suzanne O’Connell B110 – *Georgia Olson A103 – Luann Cefola A107 – Dan Burkitt B101

Proof of Notice of Meeting: Secretary reported Notice of Meeting was posted June 8, 2012 at both the office and cabana and sent to the owner email distribution list maintained by the office.

Approval of Minutes: President Mike Nicholls noted that the minutes of the last regular meeting of March 7th and special meeting of April 13th have been posted on the website for review. **MOTION** by Joe Howell seconded by Glenn Lawrence to waive reading of the minutes of the Regular & Special meeting as noted above and approve as written. Motion carried by unanimous vote.

Amend Annual Meeting Minutes (Correction of Fire Hose Vote Count) Annie said this item belongs on the next Annual Meeting Agenda and apologized for the mistake. The matter deals with Brandie Bracken not being present at the last annual meeting and Annie incorrectly filling in the blanks on the form relating to the fire hose vote count. The vote still stands; only the count needs to be changed.

OFFICER REPORTS: All reports were read aloud and entered into the record and will be posted on the website for review.

President’s Report: (copy attached) Mike noted that the reference in his report to a hot water heater for the C Bldg should reflect it is for a spare HWH unit.

Treasurer's Report: (copy attached) Connie Albright noted that she had not received the meeting packet attachment. Mike called Zaida and discovered the email attachment was very large and slow to send. A few moments were taken to assure that the packet had been received before proceeding.

Secretary's Report: (copy attached) Report amended to include an email received by Linda Bergstrom last night which Annie read aloud and has attached into the meeting minutes.

Manager's Report: (copy attached) Gary detailed the hot water heater situation relative to the upcoming solar project. He recommends we purchase one new HWH to be held as backup. Mike noted this item is in Reserve for this year and will be discussed under new business. He confirmed the carpet vendor is getting more material and will return to continue repairs. He explained that there are annual work procedures that occur early each year and that the WWTP budget will even out as we go into the second half. Hawaiian Tel also installed all new phone lines for our complex.

COMMITTEE REPORTS: **Exercise Room Survey Report** Jon Givens noted that some owners reported not to have received the survey; however the majority of responses received stated they personally would not use the facility and would support it only if it was 100% funded by membership. He therefore recommends we not move forward at this time and postpone the issue until a later date.

Owner Group Recommendations (Attached) Annie read a list of recommendations prepared by a group of owners listing three ways to streamline communications between the Board and homeowners and improve data collection and tracking to explain and justify actions. The Board thanked the owners for their input and Joe Howell said the Board will take these ideas under advisement and make its recommendations at the September meeting.

NEW BUSINESS: **WC Service Animal/Pet Policy** Mike noted that this is a sensitive issue to all concerned so the Board sought the advice of our council, John Morris, on this issue. Historically WC voted to become a pet free facility in 1994. However we still have an obligation to accommodate service animals. John Morris developed draft forms of four documents that he recommends we adopt: 1) Wavecrest Pet Policy 2) Confidential Application for an Animal 3) Letter from Attorney to Applicant 4) Doctor's Certification Letter. Following the application process, Attorney Morris would review the documents and make his recommendation to the Board for their consideration. Mike said this removes the Board from the decision making process with the Board making its final decision based on council's advice. Joe asked if we currently had an animal on site and Mike said if we do, we will start the application process.

MOTION by Jon, seconded by Glenn that the AOA bylaws and articles prohibit pets at WC. The only exception recognized by law to allowing animals on such premises is for a medically necessary animal for assisting handicapped persons. Only to the extent required to do so by law, will the AOA allow animals at WC premises. If anyone desires to bring an animal onto the WC premises, they must provide a written request to the manager prior to bringing the animal to the premises and obtain permission prior to bringing the animal to the premises.

Any request for permission to have a handicap assistance animal on WDC premises will be referred to the AOA attorney to request medical information (which will be held confidential with the Board and legal counsel) concerning the nature of the handicap and the medical necessity for the assistance animal, information concerning the animal, and such other information as legal counsel deems appropriate to evaluate the request. Legal counsel will then provide a recommendation and information to the Board to decide whether to allow the animal on premises.

If the Board decides to allow an animal on premises, it will require from the owner/user of the animal indemnification, proof of liability insurance, or such other guarantees from the owner/user of the animal to ensure the AOA is protected from added cost or liability associated with having the animal on premises.

In addition, the draft documents provided by John Morris will be changed to delete the word "pet" where ever it occurs and replace it with "handicapped assistance animal". Motion carried by unanimous vote.

Teleconference Meeting Expense Mike shared that WC spent about \$1,000 last year for owners using the teleconference feature for meetings and that we are the only association on island that pays for the service as typically these calls are at the owners expense. General discussion relative to the minimal number of owners calling into our meetings and that we do not want to discourage participation. This topic will be held over for our September meeting.

Review WC Owned Rental Units Richard reported that our units are being rented for as low as \$650 a month and believes this is too low. He suggests \$750 a month for B & C Buildings and \$800 to \$900 for A Building. Joe confirmed that we pay 10% to our rental agent. General discussion about the quality of the units, the local rental market and the cost of gas. Mike asked for owner comments and Suzanne O'Connell reminded the board they are in competition with private owner rentals at WC. **MOTION** by Richard seconded by Joe to set the minimum rent for B & C Bldg. at \$750 and \$850 for A Bldg. to be increased at time of vacancy with this recommendation subject to review at the September meeting. Vote Richard, Joe, Glenn, Jon in favor, Annie opposed, Michael abstain due to conflict of interest (he rents his unit). Motion carried by majority vote. Joe asked if we could handle this rental in house and save the 10% fee and Mike said no, we do not want to get involved in property management of any kind.

Propane Tiki Torches Weekend/Off Season Mike opened this for discussion and suggested it was counter productive to have the torches on for weekends with no one here. Gary said that a group can always ask security and they will light the torches for the group. General discussion. **MOTION** by Joe seconded by Richard that the tiki torches be lit only by request outside of high season. High season will be Thanksgiving weekend thru the end of March, Friday and Saturday nights between 7 P.M. and 9 P.M. Motion carried by unanimous vote.

WC Mailing Address Change Gary explained that mandatory changes will take place in the near future regarding the 911 process and first responders relative to street addresses. As of June

13, 2014, the post office has informed Wavecrest that all owners will have to begin using a physical address – If we choose to keep our existing mailboxes at the office, the new address will be: Your Name – 7148 Kam V Highway Unit # XXX – Kaunakakai, Hi. 96748. The option of buying three new mailbox units, one for each building, has an estimated cost of \$10,000 according to Gary's research and would result in different addresses for each building. **Motion** by Glenn seconded by Joe to change our address as of 6-13-2014 and keep our existing mail box system. Motion carried by unanimous vote. Mike asked to add this item to our September agenda for further review.

Reserve Approval Hot Water Heater MOTION by Richard seconded by Mike to approve the purchase of a backup hot water heater per the Reserve Schedule. Motion carried by unanimous vote.

OLD BUSINESS Review Fish Cleaning Table Mike said that after review and discussion of this matter the Board believes it acted too quickly when making this recommendation and has reconsidered the issue and agreed that all fish cleaning needs to be done in the ocean or in the unit but not on the common elements with all byproducts wrapped and properly disposed of in the dumpsters. **MOTION** by Jon seconded by Glenn to rescind the March 7, 2012 motion and replace it with the policy that fish cleaning will be done either in the ocean, off premises or in the private unit but not on the common elements of WC with all byproducts to be put back into the ocean or wrapped and put in the dumpster. Motion carried by unanimous vote.

Review Cabana Roof Replacement Mike said this project was discussed in March with approval of a contract for the work. That contract was ultimately rescinded and the project postponed. He said that upon examination of the county records, the original building permit for the cabana cannot be found. If it cannot be found we would be required to file for an SMA Permit and we know that the cabana structure is not built to current code. Ke Nani Kai also had an issue with solar panel reflection into units that resulted in a law suit which could possibly happen with solar panels on the cabana and B Building units. So no solar panels will be installed at the cabana and the roof project is cancelled. Gary also noted that the Reserve Study figure for replacing the cabana roof is only \$7000 which is way below cost. He is researching alternative roofing methods using a coating and fabric and suggests we need to adjust the Reserve figure for this item. General discussion resulted in Mike asking Rich to adjust the Cabana Roof line item for 2014 from \$7,000 to \$36,000 and notify Hawaiiana of the change.

Mike Nicholls called for a 10 minute break at 10:00 A.M. Meeting called back to order 10:10 AM.

Pavement Evaluation Report Gary provided an overview of the Pavement Evaluation Report stating that portions of our road base has been contaminated by water and will need to be taken up and replaced, compacted and resurfaced. The estimated bid for the work was between \$268,000 and \$509,000. Gary's recommendation is to wait 4 or 5 years and feels the road will not dramatically deteriorate during that period. The asphalt will eventually need to be taken up and we need to use the 4 to 5 years to add funds to the reserve for this project. Our base has lost its integrity; the surface is cracked and will continue to crack. Gary recommends

that we adjust the Reserve amount for this from the existing figure of \$150,000 to \$270,000 and push it out to 2017. Jon said we should follow Gary's suggestions for maintenance to preserve what we have. Gary said he will patch as needed but not throw good money after bad as it will not affect the end result. He has tried different sealant products but the cracking is too bad and the products do not work.

Recycle Bin Noise Jon noted that early birds leaving for the airport in the morning often dump their bottles and cans into the bins making quite a noise. Asked about a wood box enclosure and Gary said that now any liquid in the bottles/cans runs thru onto the pavement and can be hosed clean. A wood container would trap the mess. General discussion. Left it for Gary to handle.

Safety in our Halls Mike said that excess boots, shoes and slippers in the hall can be a safety hazard especially on the 2nd and 3rd floors for fire exit or hinder access to the fire extinguishers located in the halls. Our House Rules are very specific as to items that are allowed in the hall area but shoes and slippers have not been considered mainly because leaving them outside of a home is local custom. Joe reminded us that they cause Mihpel problems when she vacuums the hall carpets. A lot of discussion on this with the majority of the Board's stating that an owner can file the proper paperwork with the office if they see a safety hazard and Gary will handle it on a case by case basis for now and will ask the Board for guidance as needed.

Smoking on Lanais Mike reviewed that the Smoking Ordinance became law in Hawaii in 2005/2006 and that WC established our common elements as non-smoking areas at that time. We also asked for an opinion from attorney John Morris at that time relative to smoking on the limited common element of our lanais. He noted that an AOA can amend their Bylaws by 67% vote and ban smoking on lanais. Ann read an email from Cathy Felkins saying that on a recent trip to Maui she went to several condo open houses that had changed to no smoking on lanai rules. Cathy suggested the Board draft something for discussion so owners can decide if they want to amend our House Rules. Jon said that the law suggests the safest way to answer the question is by bylaw amendment but that it can also be passed by rule i.e. House Rules. General discussion concluded that since Gary has received no complaints it is not a huge problem at this time.

Open Session Mike thanked owners for their input and said the Board enjoys hearing from them and reminds owners to "tell us what we're doing right". Suzanne O'Connell spoke to the issue of hallway safety and reminded everyone that our House Rules are very specific and asked for some consistency. She remembers that we have had a no shoe policy in the past. Malcolm Mackey thought it was wise for the Board to pull themselves out of the pet policy process and asked what the turnaround to complete the process might be. Michael said we won't know until we try it. He said he will notify rental agents that the new process is in place. Malcolm also noted that three items for discussion on the agenda, i.e. recycle noise, hall safety and smoking on lanais – were not submitted to the office on the request for corrective action form and if that process had been followed we might have saved an hour and a half at today's meeting. Gaellin Quinn is a new owner, last March being her first meeting. She asked how many smoking complaints we had last year and said this would be a good measure of the

problem and agreed with the Owner Recommendations to assist the Board and our resident manager. Judy Burkitt asked how many foreclosed rental units we own – answer is four. General discussion on the solar project delays and disappointment in yesterdays Molokai Planning Meeting being cancelled for lack of quorum. Our expeditor, Luigi, is going to Maui and will ask Maui Planning to issue our permits. Mike noted that delays are not due to our contractor or consultants but rather red tape within the county. Mike explained to Dan Burkitt that the Molokai Planning Commission can trump the Maui Planning Commission at the local level and has the final say on local projects. Georgia Olson asked who will pay John Morris's fee for handling the service animal applications and Mike said he will take the question under advisement and ask Morris if we can charge a fee. Jon said we probably will not be able to because the paperwork is a result of the Board doing its due diligence. However any persons trying to get a pet in and skirt the rules could potentially be charged. Suzanne asked Gary if any progress had been made to mitigate the palm dust on the B Bldg and asked if there was any way to stop it. Mike asked the landscape committee to look into it and Glenn said they would ask the person who prepared our landscape survey report. Mike discussed some research that has been done concerning our shoreline and that we did find the original Corp. of Engineers permit for our original shoreline improvement but to date, the county and state permits have not been found.

There being no further business **MOTION** by Richard seconded by Glenn to adjourn the regular session and reconvene in executive session to further discuss delinquencies and liens. Motion carried by unanimous vote. Regular meeting adjourned at 11:25 A.M. HST

Regular session reconvened at 12:15 P.M. HST - Richard Felkins and Glenn Lawrence have left the meeting. **MOTION** by Jon seconded by Joe to retain the services of Chris Hart Partners, Inc. to do a shoreline assessment of the Wavecrest property with the cost estimated to be \$3,500. Vote carried by unanimous vote of the four board members present. Jon will coordinate this project.

MOTION: by Joe seconded by Jon to adjourn the Regular Meeting of the Board of Directors. Motion passed by unanimous vote. Meeting adjourned at 12:18 P.M. HST

Respectfully Submitted

Annie Albritton, Board Secretary

President's Report

Board of Directors Meeting

June 15, 2012

Update on Solar PV System– Just as our contractor was scheduled in late May to ship our solar panels and associated equipment to Molokai, we were advised Molokai Planning had placed our project on hold pending a hearing on June 13th. The hold was not based on any deficiency on the part of the contractor or consultant, as the county had already approved our project and waived sections of the SMA permitting process required of all shoreline construction projects. There is no impact regarding ground level changes, only the modification of rooftops (installation of panels and associated wiring), which allowed for the County's approval of the waivers. The County did request the AOA pull a Flood Development Permit, which had not been requested by County officials until two weeks ago! In the same communication, the County has recommended Molokai Planning approve our project. The day prior to the scheduled Molokai Planning hearing on the 13th we were notified the meeting had been cancelled for a lack of quorum and will be postponed until June 27th. In speaking with our Permit Expediter on Wednesday June 13th, since the Flood Development Permit has been issued and we are in full compliance with Maui County Planning recommendations, he is going to petition County Planning next Monday to allow conditional approval and the commencement of installation. Our solar contractor is still awaiting MECO's official variance regarding increased PV generation – legally we are entitled to the additional generation capacity as reviewed in past meetings, however are still waiting for an official sanction from the power company prior to adding additional panels to the project. (PV panels can be added at any time, however for cost efficiency, would like to install them at the onset.) We have walked the extra mile in dealing with MECO, Molokai Planning and the County Planning departments – it is imperative we remain in full compliance each step of the way on the project. I need to emphasize, delays have NOT been due to contractor/consultant issues, but are due to the local utility and regulatory agencies' lengthy approval process.

Tree and Landscape Committee Update – The newly planted Plumeria in front of the buildings are flourishing in our Molokai environment – the young trees are properly staked, watered and tended by staff.

Carpeting – The carpet installer has been served notice by our general counsel to correct the installation deficiencies noted in past reports. Should there be no response on the

contractors' part prior to the expiration of legal notice a suit will be filed by the AOA to collect damages.

Propane Update – Propane has continued to increase in price since my last report. We currently are paying \$5.36 per gallon versus \$5.12 per gallon in March 2012 and \$4.39 in April 2011. Propane is not regulated by the state and pricing fluctuates dependent upon crude, gasoline and propane supply and demand.

Security – Tevita He voluntarily resigned from his Security position in March. The board wishes to formally thank him for his years of service to Wavecrest. The position was filled-in with existing employees Billy Jac and Kalae Arnold. Billy works as a groundskeeper 24 hours a week and is filling out his hours in Security based on the coverage homeowners requested last November.

Comfort and Service Animals – The board will review documents and procedures relative to Comfort and Service Animals residing at Wavecrest during the course of today's meeting. The documentation requires board approval prior to implementation and is in legal compliance with the AOA By-laws and State of Hawaii statutes.

Reserves – We have a balance of about \$32,000 in unspent reserve funding scheduled for this fiscal year. The board will evaluate the projects slated for completion and may elect to defer some spending. Gary will discuss the replacement of a water heater in C Building, which is on the schedule for 2012. As reported last March, we now are in the accrual process, continuing to build necessary funds to pay for the expensive Parking Lot and Driveway Asphalt Overlay Project slated for 2013 (or perhaps later). Gary Gonder will report on the pavement overlay evaluation made by an independent third party.

WAVECREST AOAO

	Through April 2012			January through December		
	Wavecrest	Wavecrest	Wavecrest	Wavecrest		
	YTD Budget	YTD Revenue-Expense	Plus or minus Variance	Annual Budget	Estimated Revenue-Expense	Plus or minus Variance
Budget & Expenditures		Actual Revenue		2012 budget		
Total Revenue	\$ 282,100	\$ 284,302	\$ 2,202	\$ 846,300		
	HW Budgeted	Actual		Projected Ex		
Less: Operating Expense	Expenditures 296,569	Expenditures 303,087	\$ (6,518)	844,551		
Operating Surplus	\$ (14,469)	\$ (18,785)	\$ 8,720			
Capital Expenditures		\$ 3,800				
Net Increase (Cash & Reserve Funds)		\$ (22,585)				

Cash & Investment Balances

	Total	This Period Operating Fund	Reserve Fund (Invest)	Total	Full Year Operating Fund	Reserve Fund (Invest)
April 30, 2012 Cash & Investment Balance	\$ 394,533	\$ 34,572	\$ 359,961			
Net Increase (Decrease) in 2012	\$ (12,051)	\$ (13,284)	1828			
Budgeted Transfer to Reserves						
Cash & Investment Balance	\$ 382,482	\$ 21,288	\$ 361,789			

June 11, 2012

Revenue: Projected budget revenues thru April were targeted at 282,100 dollars. Our actual current revenue thru April is 284,302 dollars.

Operating Expenses: Operating expenses thru April are 303,087 dollars. This shows an overage of expenditures by 18,785 dollars. The reason for most of the over expenditures are explained below.

Electricity: So far electricity is staying within budget. There was a 9,400 charge carried over from 2011. This should drop off at the end of the year when the December 2012 bill is carried over to 2013.

WWTP: The wastewater treatment plant is overrun thru the month of April by about 6,100 dollars (most of that was in the month of April). Our manager has stated that he is working within the budget parameters so assumptions are that the WWTP operations will level out and fall within our budget in the coming months.

Water: Our water usage has increased by about 3,000 gallons per day over last year at this time and is currently running over budget by about 1,900 dollars. This should level out close to our budget level in the coming months. The cost of water is projected to increase by 10 percent in 2013 and 10 percent in 2014.

Gas: Gas is over budget by approximately 6,700 dollars. It appears that the bill paid in January was also a carryover from 2011, around 5,000 dollars. I am in the process of contacting the gas company as to when the tank was filled for the months of December 2011 to the present. If this is true it puts the current gas charges closer to our budget target.

Other items

Payroll: We appear to be overrunning our payroll by about 4,000 dollars. This is due to the increased security hours (currently running over budget by 3,360 dollars). It does show an overage for the WWTP operator of 10,598 dollars. This position was budgeted and I will be working with Hawaiiana on correcting the problem.

Capital Expenditures: Our only capital expenditure is 3,800 dollars for the gutter repair work. We do have projected capital expenditures for this year of around 32,000. These projected capital expenditure items could possibly be carried over to another year.

Overall: If the current trend continues all of those expenditures that are over budget (except for security and gas) should level out I hope by the September meeting so a 2013 budget can be developed.

I know I'm the new treasurer but I'm still doing a lot of review of past budgets and trying to learn what is going on thruout the year. It's a learning process. I hope to have a better handle on this and provide more reports with background information prior to the budget meeting in September.

Secretary's Report

June 15, 2012

Since our last regular meeting of March 7, 2012, this secretary has received correspondence from three individual homeowners and one owner group.

Issues of concern included excessive tenant noise in the B Building, a potential safety hazard with too many shoes in the hallways, question regarding companion animals as well as a letter of recommendation from a group of owners that I will later read into the minutes.

My goal is to answer all inquiries in a timely manner and to maintain a record of all correspondence.

Respectfully Submitted,

Annie Albritton
Board Secretary

Managers Report For Wavecrest Board Meeting 6/15/2012

Buildings:

- Installed new Wavecrest entrance sign
- Removed 1 electric meter from office, saving \$40 per month
- Added one walkway light and replaced wire to shorted out circuit
- Approx 12 violation sent out
- Another water heater went out, we now have one heater in A & C buildings and 2 water heaters in B building
- MECO will be replacing 2 poles by employee parking lot
- Solar metering equipment is being installed, completed at Office, A,B, and C buildings
- Repaired broken cast iron pipe in several units
- Repaired A building concrete walkway
- Construction Engineering labs completed the evaluation of the asphalt, report and the low bid is attached.
- Hawaiian Telcom trimmed the trees around the phone lines and installed new phone lines
- Gutters cleaned and leaks repaired
- Attorney sent out letter to carpet installer. Installer showed up last week and started the repairs
- Miscellaneous touchup painting
- Replacing & repairing railing pickets as needed

Grounds:

- June 7th & 8th, trimmed coconut trees
- Replaced two irrigation control panels and replaced 3 irrigation valves
- Pressure wash courtyard walkways
- Planted tealeaf along river wall
- Replaced 3 irrigation valves
- Repaired 3 broken irrigation lines
- Planted 5 new Plumeria trees in front of A building
- Planted 6 new Manila Palm trees along roadway
- Potted at WWTP 2 palm trees, 2 Manila and 10 coconut palms
- Pressure washed courtyard walkways
- Ongoing irrigation testing and repairs
- Fertilized all lawn area every 4 months
- Reset irrigation timers seasonally

- Replacing walkway lights as needed
- Installing cinders in planter areas

Wastewater treatment plant

- Tuned up both generators
- WWTP drain field controller panel replaced
- Remove bushes, trim trees and organize compound
- Annual pumping of lift station and WWTP
- Setup weekly testing schedule for lift station phone line, pumps and control panel
- Test both backup generators weekly
- Installed new battery chargers for backup generators
- Installed new electric motor for blower
- Serviced control panel at WWTP
- Installed additional security locks on blower shed
- Completed injection well report to State
- Clean lift station and test weekly
- Clean and service Tanks A,B & C daily
- Wasting holding tanks A,B & C monthly

Swimming Pool and Cabana:

- Installed new pool signs (New House Rules) at pool
- Changed pool gate code May 1st (4789) will change again Nov 1st
- Backwashing pool to maintain Cyanuric acid level
- We check and clean the pool and cabana area daily
- New BBQ's deep cleaned Mon, Wed and Fri

From: "LINDA BERGSTROM" <lbergstrom6151@gmail.com>
To: "Annie & Johnnie Albritton" <albritton@rockisland.com>; "Glen & Jennifer Lawrence" <glawklaw@aol.com>; "JOE HOWELL" <jhowell@rockisland.com>; "JON GIVENS" <givensjt@gmail.com>; "Michael Nicholls" <mcnicholls@comcast.net>
Sent: Thursday, June 14, 2012 5:33 PM
Subject: RE: JUNE 15 BOARD MEETING ISSUE
To WAVECREST BOARD OF DIRECTORS:

PLEASE READ THIS AT THE JUNE 15, 2012 BOARD MEETING & I WANT THIS TO BE WRITTEN INTO THE MINUTES OF THE MEETING, and I WOULD LIKE A RESPONSE BY E-MAIL.

Ken & I will be on a train to LONG ISLAND, NEW YORK tomorrow during the BOARD MEETING, & will be unavailable to call in and voice our concerns about some issues that have come to our attention recently concerning issues on the agenda, and Board activity in preparation before this meeting. These are LEGAL ISSUES that NEED TO BE ADDRESSED.

CONFERENCE CALLS & BOARD MEETINGS: ALL conference calls to the BOARD MEMBERS MUST be OPEN TO ALL HOMEOWNERS & posted at Wavecrest & notices sent to ALL HOMEOWNER's in advance stating "THERE WILL BE A CONFERENCE CALL, or a MEETING, giving the times of the conference call or meeting.

EXECUTIVE SESSION: ONLY ITEMS ON THE AGENDA CAN BE DISCUSSED. NOTHING ELSE.

I understand there was a 2 hour conference call earlier today, I was NOT INFORMED of this meeting or I would have called in, as I was available today.

Thank you,
Linda & Ken Bergstrom

Dear Wavecrest Board,

Our group met on March 21st and consisted of Dan Reed, Keri Zacher, Rose Pecoraro, and Malcolm Mackey. We also had input from Ellen Reed and Mike Heimbuch who were not able to be present. The purpose of our meeting was to discuss processes the board could use to get themselves out of having to deal with owner complaints and with constantly reviewing and changing house rules. All of our recommendations involve some sort of data collection and tracking to explain and justify actions.

First, we recognize that any perceived safety issue must receive an immediate response from staff. The recommendation we have related to safety issues reported to staff is that there be a record kept by the manager of what the issue was, when it was reported, what the action was and when it was accomplished, and who made the report. We believe the record keeping will help the board and manager respond to future questions and concerns.

The next recommendation is to take the board out of feeling they have to answer complaints. We know owners, some of us included, email the board with a complaint in hopes of getting a response from the board. We suggest that the response be nothing more than referring it to the manager. We also would like to see the recently created form continue to be used. The manager, with help from staff if needed, should keep a record of all "request for corrected action" forms turned in, what the request was, when it was submitted, what action was taken and when, and who submitted the form. This record again would help answer questions that may arise from owners or from board members. Owners who submit a request form should also be urged to keep their copy in case questions arise at a later date.

As far as the form itself is concerned, we like the form and encourage its use. The form itself creates the paper trail we think is so important because it asks for all of the information we think is important to log except for a description of the action taken. We also have two suggestions. The first is that in the next printing the words "of rules violation" be eliminated. This would allow the form to be used for any request. For example, when we were looking at forms at the pool, there was a request that a light be made available at the pool gate in order to see the combination at night. This is clearly not a rules violation or a safety issue but something that is still a request. The second suggestion is to make the form available on line just as the sign in form is now.

Our final recommendation is that House Rules stand for a period of time without changes. During that time, the board could appoint a standing committee whose task it would be to gather data related to House Rules and at the end of the period, recommend to the board any changes to consider and why. The data could be from request forms submitted to the manager and any related information from him, any surveys the committee might want to conduct or comments from owners during the open sessions of board meeting as included in minutes. We recommend that the period of time for house rules to stand be two years and that any proposed changes be made during the annual meeting time period when the largest representation of owners is usually present. This policy would help the board in not having to consider changes at nearly every meeting and the decisions would be made based on data collected over a period of time.

(Filed 4-20-2012 - Annie)