



**BOARD OF DIRECTORS  
ASSOCIATION OF APARTMENT OWNERS  
WAVECREST RESORT, INC.  
Kaunakakai, Hawaii**

**NOTICE OF MEETING**

Date: Friday, June 15, 2012  
Time: 8:00 a.m. HST  
Place: Wavecrest Cabana & via Teleconference

Agenda and Order of Business  
Call to Order

Determination of Quorum – Homeowner's Roll Call – Proof of Notice

Approve Minutes for Regular 3-7-12 & Special 4-13-12 Meetings  
Amend Annual Meeting Minutes (Correct Fire Hose Vote Count)

Officers Reports  
President – Treasurer - Secretary – Resident Manager

Committee Updates  
Exercise Room Survey, Jon Givens - Homeowner Group Recommendations

New Business  
Wavecrest Service Animal/Pet Policy  
Teleconference Meeting Expense  
Review "WC Owned" Rental Units

Old Business  
Review Fish Cleaning Table  
Review Cabana Roof Replacement – Pavement Evaluation Report  
Pavement Evaluation Report  
Recycle Bin Noise – Safety in our Halls  
Smoking on Lanai's

Open Session – Owner Comment

Executive Session – Personnel Update - Delinquencies & Liens – Legal Issues

**DATE OF NOTICE**  
**June 8, 2012**

*Teleconference Information:*  
*877-214-0960*  
*Guest Speaker Code 8182*

Respectfully Submitted  
By  
Annie Albritton, Secretary





**Wavecrest**

**BOARD OF DIRECTORS  
ASSOCIATION OF APARTMENT OWNERS  
WAVECREST RESORT, INC.**

**Kaunakakai, Hawaii**

Wednesday, ~~March 7, 2012~~ *June 15, 2012*

8:00 A.M. HST

Wavecrest Cabana & Via Teleconference

**AGENDA**

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**Open Session – Owner Comment**

**Executive Session – Personnel Update - Delinquencies & Liens – Legal Issues**

Adjournment

*Teleconference Information:*

*877-214-0960*

*Guest Speaker Code 8182*



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

Date: March 7, 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 8:00 A.M. HST

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

**Owners Present:** Curtis Milner C210, Ken & Linda Bergstrom C312, Bruce Roessler B208, Connie Albright A305, Johnny Albritton A106 – Jean Naughtrip A310 – Ruth & Dick Cox A208, C113, C207 – Joe Howell C310 – Don Hegge A101 – Malcolm Mackey & Keri Zacher C305 – Virginia Laszewski C311 – Steven Prom A301 – Dan Reed C105 – Mike Heimbuch C214 – Suzanne O’Connell B110 – Georgia Olson A103 – Bob McCann C103 – Kathy Felkins C108, C216 – Alan & Barbara Goldberg C206

**Proof of Notice of Meeting:** Secretary reported Notice of Meeting was posted February 27<sup>th</sup>, 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 have been posted on the website for review. **MOTION** by Richard Felkins seconded by Glenn Lawrence to waive reading of the minutes of the Regular Meeting of November 10, 2011 and approve as written. Motion carried by unanimous vote.

**MOTION** by Glenn Lawrence seconded by Jon Givens to accept the November 10<sup>th</sup> 2011 financials as presented by Treasurer Verne Albright. Motion carried by unanimous vote.

**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 his report had been modified since originally written as information seems to be changing daily. He went into detail explaining the status of our solar project and the e-gauge system that is now connected to our existing MECO



meters to provide us with usage data on-line. That the B Building meter includes the lift station and cabana. That solar will be phase 1 of the project and hot water phase 2.

**Treasurer's Report:** (copy attached) Verne's gave a detailed overview of his report of for income expectations and expenses. He reminded us that a budget is not a static item but changes constantly. He also spoke in favor of retaining an engineer to evaluate our needs regarding repaving of the parking lot. Mike thanked Verne for his many years of providing us with excellent financial information.

**Secretary's Report:** (copy attached) Report presented by Annie Albritton with the addition of one last minute email received this morning. It suggested a scheduled walk-about inspection of the buildings and grounds and establishment of a review/and or procedure for handling accidents on-site.

**Manager's Report:** (copy attached) Gary said his biggest ongoing issue is with our old cast iron pipes as there is no preventative maintenance that can be done to avoid future problems. You just have to fix the problems as they occur. He said all employees are doing a great job beyond what is expected of them. They are the daily eyes and ears around the project. Bob McCann asked if Shane would be taking the exam for certification in June and Gary said Shane has now been with us a year and we have just subscribed to the text books for his studies. Gary expects he will complete his classes within the next six months and then take the next scheduled state exam after he completes his courses. There will be a financial benefit when he gets his license. Bruce Roessler said Gary now provides an air hose at the office maintenance area for car tires that need air as well as a portable jump start machine for dead batteries.

**COMMITTEE REPORTS** **Landscape Committee:** Glenn Lawrence reported they purchased a supply of on-island trees and said Jon Givens has done a lot of the leg work while he is here on island. We now have banana, lime, lemon, star fruit as well as new shrubs and trees on site. He noted that a few of the new starts had died and he believes those areas still have residual salt in the ground from last year's tsunami. Connie asked if they were replacing or planting new items and Jon said they were concentrating mainly on replacement at this time. Mike encouraged owners interested in the project to join the committee.

**Exercise Room Committee:** Jon Givens reported that he and Malcolm continued to gather information for an exercise area at Wavecrest to increase our amenities. At this point the committee plans to generate a survey of owners to see gauge owner interest and potential use. The concept is for the facility to "pay for itself" thru an initial membership fee until the initial cash outlay has been replaced. The facility would then become free use for all owners. One owner noted that the local gym in town recently raised their monthly fees from \$10 a month to \$30 a month. The Board gave the committee verbal approval to move forward with the survey with the results presented to the Board in June or September.

**House Rules Pool/Cabana Survey Committee:** Kathy Felkins gave the results from the recent survey. 38 responses were received. Q1 – # of guests 15= (2), 21= (4 with 4 of these saying none at all) 2=unk. Q2 – owner accompany guests to pool 22=yes, 14=no, 1 each undecided/no comment Q3 – prohibit radios 34=yes, 4=no Q4 – Special Event Limits – 28=yes, 8=no Q5 –



Violation/fine system 25=yes, 11=no, 2 unk. Mike thanked Kathy and the committee for their diligence in gathering the information for the Board.

**NEW BUSINESS:** There is no New Business on the agenda. Jon Givens took the opportunity to remind owners of the DeFib Equipment located at the pool. Mike asked Gary to look into another scheduled class with Pam, the instructor, sometime this year. General discussion and comments from owners. Jon initiated discussion regarding hall lights being left on at night – Gary said turning off the lights is part of the Security job description. Mike noted we have CFL bulbs available at the office. Bruce cautioned owners to watch for loose palm fronds due to the recent high winds. Ruth questioned the routine schedule for Security. Mike said at the request of owners emphasis has been on the pool area with their headquarters in the cabana where all owners know they have access. Their old schedule provided more walk-about tours. When owners asked us to focus on the pool/cabana area their schedules were adjusted accordingly. Ruth also asked about reinstatement of the Kapuna check.

**OLD BUSINESS:** **Common Elements – Kayak Storage:** Gary reported it is not feasible to build outside storage and that there is room for approx. 34 kayaks under the cabana. Discussed a kayak theft last year and an attempted theft that was stopped by the owner. **MOTION** by Jon Givens seconded by Richard Felkins to install keyed padlocks on the kayak storage doors with a \$5 key deposit and sign up sheet at the office. Motion passed by unanimous vote.

**Common Elements – Bike Storage:** Mike said after reviewing the issue, a pop-up shed was purchased from Costco and installed in an unused area of the parking area with an 8 slot stand. Now we have requests for more space. General discussion about spending general funds for bike storage, use of common element space. Jon felt it would be a benefit to have more amenities available at WC but that the Board needed more input. Mike asked Keri Zacher and Ellen Reed to head a committee and gather information for the Board i.e. how many want the shed and how it should be paid for. Suggested they draft a Newsletter Survey to be sent out by the office, results to be reviewed in June. Glenn cautioned that we need to be mindful of using our common elements for a small fraction of owners.

The discussion went back to kayaks and those being stored overnight on the lawn. Mike asked Gary to be sure and have Security take down the number and description of any kayak left on the lawn overnight and report it since they are to be put away every night under the building.

Mike Nicholls called for a 10 minute break at 9:58 A.M. Meeting called back to order 10:10 AM.

Back to general discussion about kayaks and bicycles relative to our common elements. Glenn reminded us that “space comes at a premium” at WC. After lengthy discussion by the Board and owners, it was decided to amend the kayak motion made earlier. **MOTION** by Glenn seconded by Jon to rescind the \$5 fee deposit called for in the previous motion. Motion carried by unanimous vote.

**MOTION** by Glenn seconded by Jon that there be a \$10 one time only fee for issuance of a key. Motion passed by 5 to 1 with Verne Albright opposed. (Note – the \$10 is NOT refundable with return of the key)



**Common Elements – Personal Use Thereof:** Mike said the Board has been deliberating current tenant use of common elements for cleaning fish and hanging nets out to dry. One thought was to provide a fish cleaning table near the water. He noted that our complex is required to allow public access to the water along with six public parking spaces. We have park benches and chairs along the shoreline and could provide a small, portable fish cleaning table in a specifically designated area. He recounted the time spent on making the decision to allow beach towels to be dried on lanai hooks for a period of two hours. He said drying of nets on the wall could be a similar consideration. General discussion on the concept. Connie Albright felt the car wash area was a better location and said she would not like to see it along the shoreline unless it was screened from view. Mike Heimbuch discussed the discharge of unprocessed fish along the shoreline.

**Keri Zacher** asked to read a statement into the record at this time (copy attached) concerning several items relative to personal use of common elements. Mike thanked her for the input and said she had covered a lot of what we are discussing now and that we may have to table the issue for now.

General discussion between owners and the Board resulted in Mike asking Gary to make complaint forms available at the cabana area offering easy access for owners. Annie said owners had suggested the House Rule sheet attachment at check-in should remind people of forms available and of the fine system. Ann noted we really want to keep the House Rule's to one sheet and that there is only room for so much information – she and Zaida will attempt to add the additional info.

**MOTION** by Jon Gives seconded by Annie Albritton to allow Gary to design a fish cleaning area by the water appropriately screened from view at the SE corner of the cabana. This to be done after confirming with local authorities that recreational fish guts can be disposed of in the water. Motion passed by unanimous vote. **MOTION** by Jon seconded by Glenn that fish nets can be hung on the wall during the day but not overnight in an area designated by Gary. Motion carried by unanimous vote.

The Board held general discussion concerning the House Rule Survey results with the following action being taken to amend the House Rules: **Question #1** Motion by Verne seconded by Jon to allow 6 people per occupied unit on any one day permitted at the BBQ/pool cabana area. Motion carried by a vote of 5 to 1 with Glenn Lawrence voting NO. **Question #2** Motion by seconded by Jon that owners/occupants must accompany guests to the BBQ/pool/cabana area. Motion passed by unanimous vote. **Question #3** Motion by Jon seconded by Glenn that no "out loud" music is allowed at the pool from electronic sources (radios boom boxes, etc) except when used with ear-buds/headphones except for approved special occasions. Motion passed by unanimous vote. **Question #4** Due to the complexity of this issue and enforcement issues, the matter is tabled until the June meeting. **Question #5** Fines for pool/cabana violations. Gary felt this suggestion was already addressed and being followed under current House Rules as personal behavior issues. Therefore no action was taken at this time.



**Fire Hose Disposition:** Mike presented a history of the fire hoses at Wavecrest and explained that the decision to eliminate or keep all or a part of the hoses will be a ballot issue for homeowners at the Annual Meeting.

**Wavecrest Sign Policy Review:** Gary said there had been no problems or complaints with the open houses held over the past three months and he felt that asking people to park at the office was unnecessary and "overkill". General discussion between the Board and owners.

**MOTION** by Annie seconded by Glenn to modify the existing sign policy as follows: Item #1 will read only one open house per day. Item #2 remains the same. Item #3 is changed to read Signage is permitted on the day of the Open House for one sign at the driveway entrance (2 ft X 2 ft maximum) and no more than two directional signs as near as practical to the unit being shown. Next sentence about "parking at the office" is deleted entirely. Final sentence remains the same. The policy will be re-evaluated in June. Motion carried by unanimous vote.

**Open Session:** General discussion about complaint procedures and role of security. Joe Howell asked about recycle and Gary said some recycle is already being accomplished at WC. Those interested in recycle should see Gary. Joe and Keri said they would review what is available. Malcolm Mackey read a statement not entered into the record that asked the Board to reconsider the pool sign in sheet and hours that security are available stating he felt security was not needed early during the week but would serve better later in the evening. He was in agreement with the resolution for fishing nets and asked that if security hours were changed that Tevita be considered for more hours.

It was suggested that we have a way to track the complaint system such as with a spread sheet so that it can be easily determined how many complaints have been filed on specific issues without complainant names being involved. Suzanne asked for more owner communication for changes – which there have been a lot of this year. Ruth offered to provide a flat screen TV for the cabana if WC would provide the cable TV hookup. Bruce reminded everyone that they will still use the "rock by the gate" for the beginning of special events which will be an exception to the rule. Mike asked Ruth to send her TV suggestion to the Board for their consideration.

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 12:50 PM HST

Regular session reconvened at 1:40 PM HST

**MOTION:** by Glenn seconded by Verne to adjourn the Regular Meeting of the Board of Directors. Motion passed by unanimous vote. Meeting adjourned at 1:42 P.M. HST

Respectfully Submitted

Annie Albritton, Board Secretary



Special Meeting - Board of Directors  
Wavecrest Resort, Inc. - Association of Apartment Owners  
Kaunakakai, Hawaii

Date: April 13, 2012  
Time: 11:30 A.M. HST  
Place: Wavecrest Cabana & by \*Teleconference

**Agenda & Order of Business:**

**Call to Order:** President Mike Nicholls called the meeting to order at 11:30 A.M. HST.

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

Guests: \*Georgiana Olson A103 – Ruth & Dick Cox C113, C207 & A209 – Ken & Linda Bergstrom C312 – Don & Britta Hegge A101

**Proof of Notice of Meeting:** The secretary reported Notice of Meeting was posted on both bulletin boards and sent to the email owner list on April 12, 2012 with a revision for the starting time of the Regular Open Session sent out this morning. The time was changed from 11:00 A.M. to 11:30 A.M.

President Mike Nicholls apologized for the last minute change in time which was necessary so that the Executive Session could be held first with the Regular Open Session to follow at 11:30 A.M.

**NEW BUSINESS: Consideration of Bid Approval – Cabana Roofing**

President Mike Nicholls opened the discussion by stating the cabana roof is scheduled for replacement in the Reserve within the next five years but that the metal section has been leaking for some time. With Phase I of the solar project soon we should replace the metal section of the roof prior to the installation of the solar panels. We asked Gary to solicit bids and one homeowner, along with a Board member, passed on the name of a contractor as well. He asked Gary to explain the process.

Gary said he solicited bids from numerous contractors and that each contractor determines if he is interested in the job or if he has time to do the job. Once a bid is submitted he checks with the State of Hawaii to make sure the contractor's license is current. Once the bid is awarded, the contract is signed and Gary gets copies of the contractor's insurance papers, etc. Of the two contractors submitting bids, Gary has worked with Bill's Construction and has not worked with Don Williams Construction. Both contractors are licensed and bonded.

Joe asked why one bid had been lowered and Gary explained that he changed the scope of the work to be completed. He decided to keep the old roof material and stringers on



site to reuse here at Wavecrest. Glenn asked if the specifications for materials are the same for both bids and Gary said yes. Glenn also asked about the warranty on workmanship and Gary said our contract calls for one year. Mike said our contract also calls for a 10% holdback for 30 days after job completion for any defects.

Joe asked if the bid for \$16,200 included tax and Gary said yes. Joe said an owner had commented that the stairwell job done by Bill's Construction seemed to leave us with stairs that were "uneven". Gary said the county inspector approved the job and his words were that the "job looked perfect".

**MOTION:** By Joe Howell seconded by Glenn Lawrence to accept the bid from Don Williams. Motion passed by unanimous vote of the 5 board members present.

**SOLAR PROJECT UPDATE:** Mike reported that the solar panels are on the dock on Maui crated and ready for shipment. All racks are on the dock at Maui crated and ready for shipment. All electrical permits are issued. The inverters are due to arrive "anytime from California". As soon as they arrive on the dock at Maui all materials will be put into a 20 foot container and go to Oahu and then to Molokai – about a five day trip.

There will be a forklift in our parking lot to lift materials onto the roofs and the contractor will do their best not to disrupt the parking area. They anticipate 4 days per building (A-B-C) to do the roof installation. 5 days installation time for the comp roof on the office. Plus 2 days electric work mostly being done in the electrical rooms. There may be a 20 minute power shutdown when the final connection is made. Mike asked the contractors to give us 24 hour notice so homeowners can be notified.

**OPEN SESSION:** Georgia asked if the carpet layers were coming back to fix the buckled carpets. Gary said they missed the March 15<sup>th</sup> deadline and that the matter had been turned over to our attorney, John Morris.

Joe Howell asked about the solar panels on the cabana and heating the pool. Mike said Phase 2 of the project will deal with heating of our hot water and the pool will be done at that time. We will need to get the plumbing permits for the second phase.

Mike directed Gary to Contact Don Williams and let him know he's got the bid.

Mike asked those present for any other business and there being none, called to adjourn the meeting. **MOTION** by Glenn, seconded by Richard to adjourn the special meeting of the Board of Directors. Motion carried by unanimous vote. Meeting adjourned at 11:52 A.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 13<sup>th</sup>. 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 13<sup>th</sup> we were notified the meeting had been cancelled for a lack of quorum and will be postponed until June 27<sup>th</sup>. In speaking with our Permit Expediter on Wednesday June 13<sup>th</sup>, 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 AOAO 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 AOAO 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		
	YTD Budget	YTD Revenue-Expense	Plus or minus Variance	Annual Budget	Estimated Revenue-Expense	Plus or minus Variance
<b>Budget &amp; Expenditures</b>						
Total Revenue	\$ 282,100	\$ 284,302	\$ 2,202	2012 budget		
Less: Operating Expense	HW Budgeted Expenditures 296,569	Actual Expenditures 303,087	\$ (6,518)	\$ 846,300	Projected Ex	
Operating Surplus	\$ (14,469)	\$ (18,785)	\$ 8,720	844,551		
Capital Expenditures	\$	\$ 3,800				
Net Increase (Cash & Reserve Funds)	\$	\$ (22,585)				

<b>Cash &amp; Investment Balances</b>						
April 30, 2012 Cash & Investment Balance	Total	This Period Operating Fund	Reserve Fund (Invest)	Total	Full Year Operating Fund	Reserve Fund (Invest)
Net Increase (Decrease) in 2012 Budgeted Transfer to Reserves	\$ 394,533	\$ 34,572	\$ 359,961			
	\$ (12,051)	\$ (13,284)	1828			
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 7<sup>th</sup> & 8<sup>th</sup>, 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 1<sup>st</sup> (4789) will change again Nov 1<sup>st</sup>
- 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



Richard S. Ekimoto  
John A. Morris  
Gwenaelle Bratton  
Russell H. Ando  
Dan C. Oyasato

Of Counsel:  
Arlette S. Harada

Direct Dial: (808) 599-7226

May \_\_\_\_\_, 2012

**REGISTERED MAIL**  
**RETURN RECEIPT REQUESTED**

[name]  
[address]  
[City, State Zip]

**Re: Wavecrest -Request For A Dog [or other animal]**

Dear \_\_\_\_\_:

We represent your association, the Association of Condominium Owners of Wavecrest Resort, Inc. The association's board of directors asked us to write to you in response to your \_\_\_\_\_ about your request for a dog *[or insert other animal]*.

As you know, you are asking for an exemption from the association's rules that prohibit dogs and other animals. Since you are requesting a reasonable accommodation under the State and federal fair housing laws (in the form of an exemption from the rule prohibiting dogs and other animals at the project), the association needs more information on your request. In other words, the association wishes to ensure that it fully understands your condition, so the board can properly evaluate the reasonable accommodation request.

I have enclosed a copy of the form we usually request be completed in this situation. Essentially, the form is a request for information from the doctor of a resident requesting a reasonable accommodation. We realize you provided some information already. Nevertheless, we ask that you have your doctor fill out this form so that it is clear that the association is following standard procedures for everyone who makes this type of request. That form, when completed by your doctor, should provide all the information the board of directors needs to determine if it should grant a special exemption from the rules. Therefore, please ask your doctor to complete the form.



[name]

[date]

Page 2

The information your doctor provides will be kept confidential by the board of directors and only made available to the board of directors for purposes of considering your request for a reasonable accommodation. The information will not be provided to the association members in general.

In addition to the form for your doctor to complete, I have also enclosed a form to be completed by you with more information about your dog or other animal.

Please contact me if you have any questions. Otherwise, please return the forms as soon as possible and in any event no later than \_\_\_\_\_.

We look forward to your cooperation. Please contact me if you have any questions.

Very truly yours,

EKIMOTO & MORRIS, LLC

By \_\_\_\_\_  
John A. Morris

JAM:alt

Enclosures as stated

Copy: [name] (via USPS, first-class mail)  
Board of Directors, AOA Wavecrest  
% Brandie Brackin



**\*\*\*DRAFT\*\*\***

## **WAVECREST PET POLICY**

All pets approved for disabled residents by the board must be registered with the resident manager, and the pet owner must sign an acknowledgment that they have received and read this pet policy and will take full responsibility for the pet. All pets must, if required by law, be licensed and have identification tags. The board may require a veterinarian's certificate confirming that the pet has all necessary vaccination and has been spayed or neutered.

Pets must be kept in the apartments and will only be allowed in the common areas of the project when in transit to and from the apartment. While in transit through the common areas, all pets must be on a short leash, in a cage, or carried by someone who can control the pet. No pet shall be permitted to be tied or chained in the common areas.

The owner of any pet causing damage to the common areas will be given a warning and the pet owner must pay to repair or restore any damages. The pet must be removed from the project if the pet causes any subsequent damages to the common areas.

The owner of any pet which threatens another person or pet will be given a warning. If a subsequent incident occurs, the pet must be permanently removed from the project. Any pet which bites any person at the project must be immediately removed from the project.

The pet owner will be responsible for any actions of the pet which cause injuries to persons or their pets or damages to property. A pet owner must have a liability policy covering any loss, damage or injury caused by the pet and the pet owner must indemnify, hold harmless and defend the association from any liability, damages, judgments, or expenses (including attorney's fees), incurred or resulting for the actions of pet.

The owner of any pet which causes excessive noise for an unreasonable period of time or when the owner is not present will be given a warning. If a subsequent incident occurs, the pet must be permanently removed from the project or some other measure taken that inhibits the noise.

No pet shall be left in the apartment unattended for an unreasonable time. The association's employees or agents may enter the pet owner's apartment if there is reasonable cause to believe an emergency situation exists with respect to the pet. Examples of an emergency situation include abuse, abandonment, or any prolonged disturbance. If it becomes necessary for the pet to be put out for board, any and all costs incurred will be the sole responsibility of the pet owner.

No pet shall be permitted to create an unsanitary condition, including fleas or tick infestations, either in the pet owner's apartment or on the common elements. The pet owner must pick up and dispose of pet waste in a sanitary manner and ensure that any pet waste is securely wrapped. If the owner fails to do so and the association's employees must act, the pet owner will be billed for the employee's time. If fumigation for flea or tick infestations becomes necessary because of a pet, the pet owner will be billed for the cost of the fumigation.



**\*\*\*DRAFT\*\*\***

If a dispute arises and cannot be settled through negotiation, the pet owner must first try in good faith to settle the dispute by mediation.

**\*\*\*DRAFT\*\*\***

\_\_\_\_\_  
Pet Owner's Signature

Print Name: \_\_\_\_\_

\_\_\_\_\_  
Date signed

***[If the pet owner is NOT the unit owner, the following section should be signed by the unit owner.]***

WE HEREBY AGREE TO BE RESPONSIBLE FOR ENSURING THAT OUR TENANT  
FOLLOWS THE RULES STATED ABOVE:

**\*\*\*DRAFT\*\*\***

\_\_\_\_\_  
Owner, Unit \_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_  
Owner, Unit \_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_  
Date signed



## DOCTOR'S CERTIFICATION LETTER

To: Association of Condominium Owners  
of Wavecrest, Inc.  
% Brandie Brackin  
Hawaiiana Management Company, Ltd.  
711 Kapiolani Boulevard, Suite 700  
Honolulu, Hawaii 96813

I hereby declare, under penalty of perjury, that the following statements are true and correct to the best of my knowledge:

1. My patient ("Patient"), \_\_\_\_\_, whose residence address is: \_\_\_\_\_  
\_\_\_\_\_
2. My name, business address, and business telephone number are as follows:  
(Name): \_\_\_\_\_  
(Address): \_\_\_\_\_  
(Business Telephone No.): \_\_\_\_\_
3. I am a duly licensed physician in the State of Hawaii or \_\_\_\_\_  
*(Please specify)*  
\_\_\_\_\_
4. I am also certified in the following medical specialty(ies), if any: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. The Fair Housing Amendments Act of 1988 defines "handicap", with respect to a person as "(1) a physical or mental impairment which substantially limits one or more of such person's major life activities, (2) a record of having such an impairment, or (3) being regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802))." In order to constitute a physical or mental impairment within the meaning of the Act, a condition must be permanent or long-term rather than temporary.

Furthermore, Section 515-2 of the Hawaii Revised Statutes defines "disability" as



I hereby certify that Patient is handicapped under the Fair Housing Amendments Act of 1988 or disabled under Chapter 515, Hawaii Revised Statutes, due to the following condition(s) or for the following reasons:

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- The Board of Directors will consider Patient's request based upon the rules, regulations or policies of the Association, subject to completion of this form.

- 2



This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

- I declare under penalty of perjury under the laws of the State of Hawaii that the foregoing statements are true and correct.

Date: \_\_\_\_\_

3



**ASSOCIATION OF CONDOMINIUM OWNERS  
OF WAVECREST, INC.**

**CONFIDENTIAL APPLICATION FOR AN ANIMAL  
Print All Information**

Attach photo of animal here:

Name of Handicapped Occupant(s) \_\_\_\_\_

Date of Application \_\_\_\_\_

Apartment Unit # \_\_\_\_\_

Telephone \_\_\_\_\_

Article V, Section 3(l) of the second restated bylaws and the House Rules allow no animals in apartments at the Wavecrest project. A handicapped or disabled resident who does not have an equal opportunity to use and enjoy his/her apartment or the project may be permitted to keep an animal in his/her apartment. Such an animal may but does not have to be: (i) a guide dog, i.e., a dog individually trained by a licensed guide dog trainer for guiding a blind person by means of a harness attached to the dog and a rigid handle grasped by the person; or (ii) a signal dog, i.e., a dog trained to alert a deaf person to intruders or sounds. The animal also can be any animal trained to do work or perform tasks for the benefit of the handicapped resident or to provide the life activities limited by the resident's disability.

To apply for permission to keep a dog or other animal in your apartment, please answer the following questions and provide the requested information:

**1. Animal's Information:**

Animal's Name \_\_\_\_\_ Type/Breed \_\_\_\_\_

Age \_\_\_\_\_ License or I.D# \_\_\_\_\_

Is the proposed animal that you wish to keep in your apartment presently being maintained in the apartment? \_\_\_\_\_

If yes, when did you start keeping it there? \_\_\_\_\_



**2. Animal's References:**

Has the animal been vaccinated? YES \_\_\_\_\_ NO \_\_\_\_\_

List vaccinations received (with dates): \_\_\_\_\_

Veterinarian: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

**3. Do You Have Liability Insurance: (check one) YES \_\_\_\_\_ NO \_\_\_\_\_**

Agency: \_\_\_\_\_ Agent: \_\_\_\_\_

Address: \_\_\_\_\_ Telephone: \_\_\_\_\_

**4. Animal Training Information:**

- a. With regard to the issue of whether your proposed animal is a guide dog, signal dog, or other animal individually trained to do work or perform tasks for your benefit, please check one below. (NOTE: The animal does not have to be trained; this information is solely for the association's records.)

\_\_\_\_\_ YES. The animal IS a guide dog, signal dog, or other animal individually trained to do work or perform tasks for my benefit.

\_\_\_\_\_ NO. The animal IS NOT a guide dog, signal dog, or other animal individually trained to do work or perform tasks for my benefit.

\_\_\_\_\_ I DON'T KNOW whether the animal is a guide dog, signal dog, or other animal individually trained to do work or perform tasks for my benefit.

- b. If you answered YES to item #4a above, state the basis for your statement that the proposed animal is a guide dog, signal dog, or other animal individually trained to do work or perform tasks for your benefit:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



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**Acknowledgment:** I have read and understand the above questions and the information I have provided in response to the questions, and I hereby affirm that the information is true and correct to the best of my knowledge.

\_\_\_\_\_  
Signature of Apartment Unit Owner/Tenant

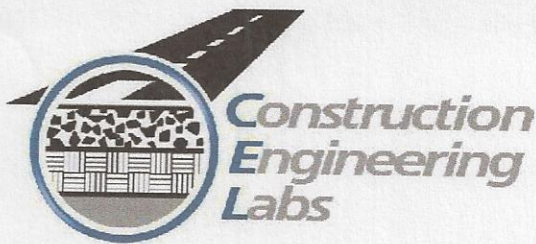
Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Apartment Unit Owner/Tenant

Date: \_\_\_\_\_

G:\CLIENT\W\WAVECREST\GM\Fair housing owner pet form (05-30-12).doc





April 24, 2012

Gary Gonder  
Wavecrest Resort AOA  
HC-01, Box 541  
Kaunakakai, HI 96748

Subject: Wavecrest Pavement Evaluation  
7142 Kamehameha V Hwy  
Kaunakakae, Molokai, HI 96748

Mr. Gonder,

Construction Engineering Labs, Inc. is pleased to submit this letter report detailing our pavement evaluation including observations obtained during our site visit on March 28, 2012, and associated analyses and recommendations.

The condition of the pavement is generally in fair condition given its age. The estimated service life of most asphaltic concrete pavements is on the order of 12 to 15 years. The age of this pavement is over 20 years. The condition of the pavement is indicative of proper construction practices associated with the initial preparation of subgrade soils, placement and compaction of base course materials, and the original pavement design. However, the following were observed (attached site plan):

- Widespread age-related asphalt binder oxidation causing the pavement to become brittle and fatigue cracks to develop through the entire pavement section.
- Root damage across the parking area from Building B
- Patching and damage associated with poor surface runoff drainage just past the admin structure near the resort entry.
- Spot areas with surface failure generally resulting from the contamination of base course fill materials with the underlying fine grain soils, diminishing pavement support.

The age of the pavement has well exceeded the generally expected service life of asphaltic concrete (A/C) pavements. The longevity of the existing pavement is not expected to be significantly impacted with slurry seal or seal coat treatment, as indicated on the attached International Slurry Surfacing Association document. Slurry seals/seal coats may be considered to preserve any asphalt concrete pavement sections constructed in the future.

We recommend the following sequence of tasks.

1. Remove existing A/C pavement
2. Inspect the quality of the underlying base course

96-1173 Waihona St., Unit B-7, Pearl City, Hawaii 96782  
Phone: 808-455-1522, Fax: 808-455-1384, Email [cel@hawaii.rr.com](mailto:cel@hawaii.rr.com)



3. Replace hot spot areas of base course contaminated with fine grain soils that have worked their way up due to water intrusion and normal traffic loading.
4. Compact the base course to at least 95% of the maximum dry density as determined by ASTM Method D-1557 in the laboratory.
5. Replacement of the A/C pavement in accordance with our profession engineer's design, plans and specifications.

From the surface observations, we estimate at least 90 percent of the underlying base course to be in good condition, though this will need to be verified during the removal of the existing pavement and prior to replacement of the asphaltic concrete pavement. Infiltration of water through the existing and developing cracks in the pavement may result in accelerated contamination of the base course material as typical traffic loads are applied. Contamination by the underlying fine grain soils over the next 5 years could result in a 50% increase in pavement section replacement costs due to additional trucking, disposal and purchase of base course materials.


This letter report has been prepared in general accordance with accepted local engineering practice for the exclusive use of Wavecrest Resort AOA and Mr. Gary Gonder. The conclusions and recommendations of this report are limited to the areas observed at the time of our site visits and background information provided by Mr. Gary Gonder.

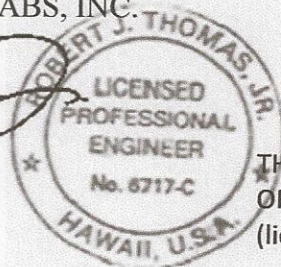
Excluded from CEL's scope of work was the identification and classification of chemically contaminated soils concerning environmental conditions; therefore, no attempt was made nor should one be construed, that this report addresses environmental concerns with regard to contaminated soil material and water.

Thank you for this opportunity to be of service. We are standing by to assist you with any further needs, including clarification of recommendations, pavement section design plans and specifications, preparation of contractor bid documentation and evaluation, quality control monitoring during construction, and evaluation of proposed building materials.

Sincerely,

CONSTRUCTION ENGINEERING LABS, INC.

  
Robert J. Thomas, Jr., P.E.  
Geotechnical Engineer



THIS WORK WAS PREPARED BY ME  
OR UNDER MY SUPERVISION  
(license expires on April 30, 2014)

Attachment:

Site Plan

International Slurry Surfacing Association – Pavement Condition Index



# **SITE PLAN**

## **Wavcrest Resort, Molokai**



Visible patching and  
damage related to  
poor drainage.

Root damage and  
base course distress

Base course distress

Base course distress

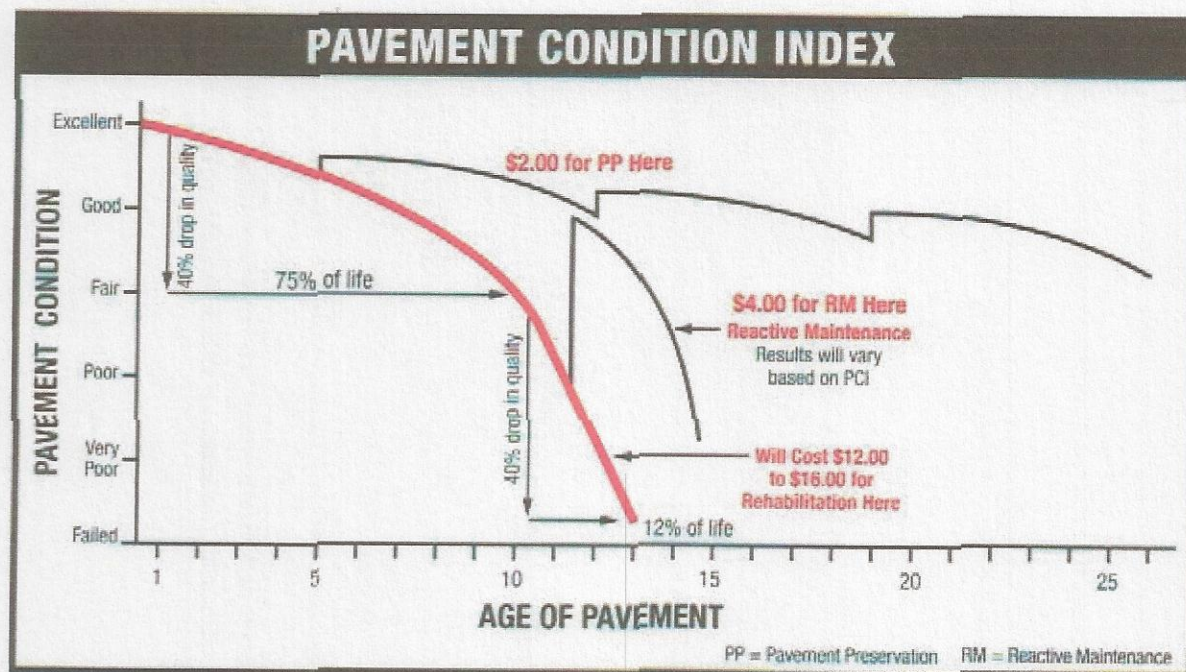




## INTERNATIONAL SLURRY SURFACING ASSOCIATION

#3 Church Circle - PMB 250 • Annapolis, Maryland 21401 • USA  
Phone (410) 267-0023 • Fax (410) 267-7546 • [www.slurry.org](http://www.slurry.org)

The International Slurry Surfacing Association (ISSA) has created a valuable easy-to-understand resource, called the Pavement Condition Index (PCI), which visually depicts the cost-effectiveness of proper treatment timing and guides you through the life of your roads.



### Proper Timing Reduces Costs

- Preventative:** Three preservation treatments over 25 years cost \$2/yr<sup>2</sup> per treatment for a total cost of \$6/yr<sup>2</sup> over the life of the road.
- Reactive:** Using pavement preservation after not treating for 11 years costs \$4/yr<sup>2</sup> and only lasts about four years between treatments due to a deteriorated road base structure.
- Rehabilitation:** Not treating for 12 or more years will result in a required mill and fill or full rehabilitation with a cost upwards of \$12 to \$16/yr<sup>2</sup>.

### Communicating Realistic Expectations

If the economy and budget constraints keep you from preserving your roads at the appropriate time, then it becomes imperative that you communicate the realistic expectations of each treatment life to the public/stakeholders. Your reputation, along with the reputation of the treatment used, is on the line with each decision. Proper communication is the key to uphold both in the future.

Speak with an [ISSA Member](#) near you today to learn about the economic and environmental benefits of pavement preservation.





# **T.J. GOMES TRUCKING CO., INC.**

500B WAIKALE RD. WAILUKU, HI 96793 PH. (808) 244-0036 FAX. (808) 244-3747 PUC. #4028-C AC-#22134  
"Moving Maui For Over 35 Years"

February 27, 2012

To: Mr. Gary Gonder, Wave Crest Resort  
From: Keoni Gomes, (808) 870-4566, gomes@aloha.net  
Re: Asphalt Removal and Paving of Wave Crest Resort

Mr. Gonder:

As per our conversation, included is the proposal to remove the existing asphalt pavement and install new 2" asphalt pavement. Prices Includes Tax.

## **PROPOSAL**

<u>Description</u>	<u>Price (\$)</u>
Removal of Existing AC Pavement and Install New 2" AC Pavement, 50,000 SF:	\$268,871.00
• Remove, load, haul & dispose of existing 2" asphalt concrete pavement	
• Proof roll existing base material	
• Install new 2" AC pavement	
• Replace pavement striping to match existing	

\*Pricing based on a minimum quantity of 50,000 SF, any additional area will be charged at a pro-rated cost of \$5.38/SF

### **Qualifications:**

Asphalt to be State Mix V, tack & prime coat to be SS-1H

Work to be completed during normal working days, Monday - Friday, No Holidays

Wave Crest to provide alternate routes and parking areas during construction

Wave Crest Resort to perform all communications with tenants, residents & businesses

Pricing based on current oil price from Tesoro, any cost increases will be passed to Wave Crest Resort

Pricing conditional upon asphalt plant's operational status

Price good through October 31, 2012

All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from the above requiring additional work will be executed only upon written order and will become a cost over and above the proposal sum. All agreements are contingent upon strikes, accidents, or delays beyond our control. Work damaged by Act of God is considered an extra cost. A finance charge of 1.5% will be applied to all unpaid balances over 30 days. In the event that this account becomes un-collectable the Purchaser agrees to pay all attorney fees and other costs incurred for collection. If a dispute arises out of or relates to this agreement, or the breach thereof, and if said dispute cannot be settled through direct discussions, the parties agree to first endeavor to settle the dispute of in an amicable manner by mediation under the Commercial Mediation Rules of the American Arbitration Association, before resorting to arbitration. Thereafter, any unresolved controversy, dispute or claim arising out of or relating to this agreement, or the breach thereof, shall be settled by arbitration in accordance with The Commercial Mediation Rules of the American Arbitration Association, and judgment upon the award rendered in the arbitration may enter in any court having jurisdiction thereof. Arbitration shall be binding and held in the County of Maui. The arbitration hearing will be conducted by one (1) Arbitrator With NO Attorneys present. Arbitrator will have a minimum of ten (10) years experience in this type of work as a professional engineer, architect, or licensed contractor.

*This proposal may be withdrawn if not accepted within thirty (30) days.*

Accepted: \_\_\_\_\_ Date: \_\_\_\_\_