

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

NOTICE OF MEETING

Date: Friday June 5, 2015
Time: 9:00 A.M. HST
Place: Wavecrest Cabana & by Teleconference

Call to Order

Determination of Quorum - Homeowner Roll Call - Proof of Notice
Approval of the Agenda (changes-additions-deletions)
Approve minutes of the March 17th Regular Board Meeting

Note: Owner comments will be held until Open Session at the end of the meeting.
At that time questions will be taken with comments restricted to 3 minutes in length unless the board specifies otherwise.

Officers Reports - President's Report – Treasurer's Report
Secretary's Report – Manager's Report

Committee Report – By Law/Smoking – Service Animal – House Rules
Streambed - Yard Sale - Hallway/Light Retrofit

Old Business Sub-meter Update - Pool Heater - Wifi Internet Service
USDA Grant Loan Update - Unauthorized Washers/Dryers

New Business Revised Storage Fees - Camera Drones
Cabana Party Guidelines
Fees (1) Sub-Meter Tampering (2) Non Accessible Units

Open Session - Owner Comments

Executive Session – Employee Issues & Delinquencies

DATE OF NOTICE
Monday June 1, 2015

This is no longer a free call
Teleconference Information:
1-712-432-1500
Access Code 657819#

Annie Albritton
Board Secretary

PRESIDENTS REPORT FOR JUNE 2015 BOARD MEETING

Aloha, owners

I have been traveling for work and am unable to attend the June meeting in person. There are a lot of projects underway at Wavecrest to improve the facilities and address needed deferred maintenance. A big Mahalo to our fantastic staff and manager for their dedication and hard work. Mike Nicholls has been monitoring the progress on getting the stream bed cleaned out, and the process is moving forward. The submetering system has had lock out devices installed and is nearing completion. The submeter system will need to be live with at least 2 months trial billing before we can begin to actually use it and bill owners. We will either hold a special meeting to address submetering going live, or it may be taken up at the September meeting if the issue is ready at that time.

Ted has been getting trained and is improving operations at the WWTP. We are studying ways to improve energy efficiency at the WWTP. We are also applying to the USDA rural waste water for grant funding to study plant improvements.

Our manager has been working on emergency preparedness. He has had training sessions with

employees and put in place procedures to address various emergency issues like natural disasters and fire. We have an emergency kit of supplies at the front office. We have a medical kit on the golf carts. We have a spill kit for the WWTP. We have tried to upgrade our preparedness for emergencies. Our manager is continuing to work with the local police and firemen to address this preparedness.

Our manager has several maintenance projects ongoing at present. Our staff has done rock work around planter beds. We have planted a new entry hedge along the drive, and have propagated more plants to enhance this ongoing improvement. We have completed filling cracks and resealing the drive from the entry to the first speed bump by C building. We will continue to address the balance of the parking areas and drive as weather and schedule permits. We have ordered the new light fixtures for the lanais and outside walkways. We have enhanced exterior lighting on walkways. We have replaced emergency lighting batteries on stairways. We have done work on irrigation systems.

The cabana eve and roof work is beginning and should be accomplished very soon. This is being done in house at considerable cost savings.

There have been several after hours plumbing leaks, and our manager has had to come to the aoao late at night to work on plumbing leaks. He has also ordered

spare parts so we have supplies to address other potential leaks.

The resort looks great, and Bret and the staff are doing a great job of maintaining and improving the facility.

Mahalo to all.

Jon

As of April 30, 2015

	Actual	Current Month Budget	Actual	Year to Date Budget	Variance
Revenue	\$ 73,114.78	\$ 76,430.00	\$ 309,278.27	\$ 305,720.00	\$ 3,558.27
Expenses					
Utilities	\$ 12,714.81	\$ 18,166.00	\$ 66,727.91	\$ 72,664.00	\$ (5,936.09)
Professional Services	\$ 3,697.37	\$ 4,962.00	\$ 18,038.56	\$ 16,748.00	\$ 1,290.56
Bldg Maintenance	\$ 4,815.48	\$ 6,377.00	\$ 29,806.66	\$ 34,342.00	\$ (4,535.34)
Payroll & Benefits	\$ 31,630.13	\$ 23,858.00	\$ 97,923.45	\$ 109,853.00	\$ (11,929.55)
Other expenses	\$ 21,272.54	\$ 28,929.00	\$ 119,234.49	\$ 109,196.00	\$ 10,038.49
Total Operating Expenses	\$ 74,130.33	\$ 82,292.00	\$ 331,731.07	\$ 342,803.00	\$ (11,071.93)
Net Revenue	\$ (1,015.55)	\$ (5,862.00)	\$ (22,452.80)	\$ (37,083.00)	\$ 14,630.20
Operations	\$ 82,293.01				
Reserves	\$ 392,170.53				
TOTAL	\$ 474,463.54				

Delinquency Report

Balance

1-30 days

ACTIVE OWNERS SUMMARY:

5100 MAINTENANCE FEE	82,645.97	5,140.00	4,022.04	3,882.92	69,601.01
5190 LEGAL FEE REIMBURSEMENT	2,707.32	549.81			2,157.51
5360 LATE CHARGES	20,484.61	1,350.26	1,183.74	1,125.03	16,825.58
6816 LIEN PROCESSING CHARGE	50.00				50.00
7550 RETURN FEE	30.00				30.00
ACTIVE OWNERS TOTAL	105,917.90	7,040.07	5,205.78	5,007.95	88,664.10
DELINQUENT OWNERS COUNT	10	1	2	1	6

INACTIVE OWNERS SUMMARY:

5100 MAINTENANCE FEE	77,228.14			560.00	76,668.14
5190 LEGAL FEE REIMBURSEMENT	12,228.39				12,228.39
5360 LATE CHARGES	13,403.58			523.20	12,880.38
5361 INTEREST CHARGES	30.50				30.50
5405 RENTAL INCOME-LOCKER	950.00				950.00
6816 LIEN PROCESSING CHARGE	50.00				50.00
INACTIVE OWNERS TOTAL	103,890.61	0.00	0.00	1,083.20	102,807.41
DELINQUENT OWNERS COUNT	10	0	0	0	10

Secretary's Report

June 5, 2015

Since our last regular meeting of March 17, 2015, the secretary has received correspondence from several owners and one long term tenant.

One owner reported a disturbance during the sub-meter installation process.

Another owner expressed concern over fire danger posed from improperly installed washers and dryers.

Your secretary responded to several reported smoking issues.

In addition three owners have asked for an update of the pool heater project and there were several emails asking for the lists of owners working on the various committees.

Respectfully Submitted

Annie Albritton
Secretary

Managers' Report for Wavecrest Board Meeting. 6/05/2015

Our great staff is doing an excellent job keeping Wavecrest beautiful and working hard with continued improvements. Thank you Staff.

Buildings:

- Numerous repairs addressed, with emergency water leaks and several afterhours issues. The diagnostic of these issues as well as finding the location of leaks have been a deeply involved process. : Including =Water damage mediation, drywall repair, painting and the units restoration to their completion.
- Sub metering prep, planning, and installation. Sub metering new anti-tamper lock out = Completed.
- Maintenance emergency planning, including =supplies and the order of hard to locate cast iron fittings for our future plumbing failures.
- Mounted additional solar lights on posts for corners of the C building.
- Asphalt work, crack filler and sealer continued through parking lots and the driveway.
- Various Administration / Office duties and relations. House rules violations & maintenance request being completed.
- Drywall repairs as well as painting to various areas.
- Continued work with the hallway committee for a sample hallway remodel, for owner viewing of the options or potential Resort future upgrades.
- New energy efficient lighting installed for break room and timer switch to reduce energy consumption.
- Security cameras installed at front now with new monitor for programming and viewing.
- Rock wall / landscaped beds and new rock work repairs, which had been majorly broken or cracked= New rock retaining wall built for these planters. The planters now, look much more solid.
- Additional Solar lights installed.
- Pool lighting and perimeter lighting issues, diagnosed problems and installed new lighting.
- Safety check of trailer for hauling.
- Hauling of various loads of materials for several work projects= including asphalt, filling pot holes and cracks, sealing, grounds supplies and more.
- Installed various edging and transitions in walkways to address safety concerns.
- Emergency preparedness planning and the install of a first aid kit boxed on golf car
- Prepared for a Disaster/emergency assessment info/survey from State of Hawaii. Staff drill for safety and emergency response scenario for staff and residents at Wavecrest. Meeting with Fire Department and walk through.
- Completed large order of light sconces for the exterior upgrade and dark sky compliance deadline.
- Repairs to numerous old wood or rotted wood = wood replacement and paint. Including rusted brackets and supports.
- Laundry repairs coordinated with vendor.
- Made lots of progress towards the road project and asphalt patching and sealing front of Resort and drive to the C building.
- Replacement of emergency stair well lights that have backup batteries in the event of power outages. ALL buildings, items of these will be on a rotational maintenance check list and replacement schedule.
- Carpet install for several patios that were desperately needing replacement.
- Other various detailed and numerous maintenance repairs throughout the property.
- New Staffing schedule and budget needs addressed, also new employee's orientations and training. A Big Welcome aboard and Thanks to Matt Childs and Josh Lopes.

Grounds:

- Removal of invasive weeds throughout the Resort.
- Numerous irrigation repairs to address any areas needing extra water and grass areas.
- Nursery maintenance and additional plants to nursery cultivated from cuttings from Wavecrest's grounds.
- Numerous locations with additional new plantings. New colorful hedge plants planted at entry driveway ocean side where the old hedge has become a mix of species and invasive entanglement. Looks great, we will be extending this hedge towards the C building, it is planted in front of the existing old hedge.

Wastewater treatment plant:

- Various Projects, being proactive in its efficiency and improvement.
- Repair to WWTP air supply line = a 2" main galvanized line
- WWTP maintenance yard / material yard finished, with privacy slats installed and new gate, etc.
- WWTP various projects; as cleaning drying bed roof from debris and new lift station pump installed.
- Work with Rural Water Hawaii for resources they provided at free of cost to the AOAC.
- Maintenance material yard being enclosed.
- Emergency preparedness planning with spill kit for WWTP and additional measures addressing lift station.
- Security cameras mounted and signage.

Swimming Pool and Cabana:

- Repair to pool shower drain line.
- Cabana roof work project, with new membrane over roofing, also other repairs.
- Pool up keep and projects around pool area.
- New lights installed at columns
- Research into order of new pool lounge chairs

Scheduled Maintenance:

- Numerous and various projects= Cabana Roof and awning repairs, restoration work, asphalt work, etc.
- Cabana counter and sink upgrade.
- Safety concerns throughout the Resort.
- Owner and Board directed requests.

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Regular Board Meeting
Board of Directors - Association of Apartment Owners
Wavecrest Resort Inc. Kaunakakai, HI

Date: June 5, 2015

Time: 9:00 A.M. HST

Place: Wavecrest Cabana and by *Teleconference

AGENDA & ORDER OF BUSINESS:

Call to Order: Meeting called to order by President Jon Givens at 9:05 A.M. HST.

Determination of Quorum: *Jon Givens, President - * Georgiana Olson, Vice President
- *Annie Albritton, Secretary - *Rose Pecoraro, Director - Jack Thornton, Director
(*Michael Peters, Treasurer called in at 9:50 A.M. HST) Bret Hoffman, Manager

Owners Present: *Ken and Linda Bergstrom C113 & C312 - *Mike Nicholls A116 -
Cathy and Richard Felkins C108 & C216 - Joe Hall C310 - Linda Broady C116 -
Suzanne O'Connell B110 - Bobby Thornton A207 - *Dave and Dixie Durham C104-
*Connie Albright A305

Jon Givens opened the meeting stating there would be no video or audio recording permitted and that the meeting was for owners only. Also that owner comments will be held until Open Session at the end of the meeting. At that time questions will be taken and comments restricted to 3 minutes in length unless the board specifies otherwise.

Proof of Notice of Meeting: President Jon Givens reported the Notice of Meeting was posted as of Tuesday, June 2nd, 2015.

Approval of Minutes: President Jon Givens noted the minutes of the March 17th meeting have been [posted on the website for review. **MOTION** by Annie seconded by Jon to approve the minutes as posted. Motion carried by unanimous vote.

Officers Reports: All reports were read out loud and entered into the record and will be posted on the website for review.

President's Report: (copy attached)

Treasurer's Report: (copy attached. This report was made by the Treasurer as soon as he dialed into the meeting at 9:50 A.M.)

Secretary Report (copy attached)

Manager's Report: (copy attached) Jon asked Bret if the new cabana sink will be any larger and Bret said he remembered it's about three times as big.

Committee Reports: Bylaws/Smoking – Cathy Felkins presented the board with a draft owner survey on the smoking issue. The board will review and it was suggested that the survey be send out in the mail with a stamped, return envelope included and the board gave VERBAL APPROVAL for the survey to be conducted prior to the September meeting so the results can be reviewed.

Streambed - Mike Nicholls reported that the Army Corp of Engineers approved the project stating it was not in their jurisdiction. It is anticipated that the Clean Water Branch of the State of Hawaii historically "rubber stamps" projects approved by the Corp. After that it's a matter of waiting for our SMA Application to Maui to be placed on the local Molokai Planning Commission agenda. It was noted that the last three meetings were cancelled and that this will create a backlog. A planner from the county has visited our site. Jon suggested that once we are on the agenda that we reach out to any commission members that are known to us personally.

Service Animals – Jack Thornton provided a report on the committee's findings (copy attached) It was concluded that the procedures currently in place at Wavecrest are adequate but that staff need to be trained and owners and the public need to be informed and educated and that above all confidentiality must be maintained. The board approved Jack contacting John Morris for clarification and the committee will provide an updated report at the September meeting.

Yard Sale – This committee will make its report at the September meeting.

House Rules – Richard Felkins said this committee will make its report at the September meeting and that he is reviewing rules from other condo associations.

Hallway/Light Retrofit – Jon reported that the sample hall will be finished and available for owner review by the September meeting. Also that the exterior building walkway lighting and lanai lighting has been ordered (the shark design) with installation as time allows.

OLD BUSINESS Sub-meter Update: Bret reported they are trying to tie this up next week and have been delayed with technical issues. The goal is to get this on-line and reporting asap. Some equipment has been changed out in the B & C buildings and we're very close to going into mockup.

USDA Grant Loan: Rose is working on various documents and is applying for a grant only and not a loan as previously agreed. Obtaining more information from Hawaiiana and moving forward.

Pool Heater: Several owners asked that this topic be placed on the agenda for an update.

It has been in the talking stage for about four years with various plans discussed which ultimately cost of installation and maintenance being too great. Rose reminded us that the three most recent proposals were (1) solar panel fence at a cost of about \$4,000 per panel and the possibility of needing a SMA permit to install them along the shoreline and (2) black PVC hose laid on top of the ground – no estimate of cost at this time – and (3) liquid product added to the pool water – presents health/safety questions and no cost estimate at this time. The board gave VERBAL APPROVAL for Bret to gather some cost information on the solar fence and PVC hose.

Wifi Internet Service – Bret reported that our systems installer on Maui suggested we need to increase our speed or bandwidth but we already have the best that Oceanic has to offer – there is no better bandwidth available on Molokai at this time. It was determined that adding another line is not a good option as it would be quite expensive. Jon stated we have two lines at this time – one dedicated to the office and the other to the resort. General discussion. Jon suggested we table the subject until Sept. Mike Nicholls will furnish Annie with the contract information for the FCC which can be provided to owners.

Unauthorized Washer/Dryers – General discussion on the safety/fire hazard of improperly vented dryers in units. **MOTION** by Jon seconded by Annie to request Bret “at his convenience” to inspect all units for unauthorized washer/dryers and to take appropriate action. Motion passed with a unanimous vote. It was further clarified that the inspection was to be for washer/dryers only and nothing else. Rose asked who was responsible for cleaning the dryer vents for those end units that had existing vents. General discussion that a yearly safety inspection tour could include existing dryer vents and owners be notified if they needed to be cleaned. If staff had to clean, owners would be billed.

NEW BUSINESS: Revised Storage Fees – Jon suggested this be carried over to the September meeting when all fees will be reviewed.

Camera Drones – Jon said this issue came to light when a commercial drone was hired to photograph our streambed project. Tabled the subject until September.

Cabana Party Guidelines – Jon noted that we currently have a list of “pre-approved” events to which everyone at WC is invited. It currently is the private parties that are causing problems with excessive noise, broken BBQ equipment and lack of cleanup. We currently approve private parties at the discretion of the manager. General discussion. At this time Jon Givens authorized (1) Jack contact J. Morris and ask for information relative to owner vs. tenant rights and (2) that the board authorize Bret to create a form and deposit sheet with both non-refundable and refundable deposits for private parties.

Sub-Meter Tamper Fees – General discussion as to when such fees might need to be implemented. Subject tabled until the September meeting.

OPEN SESSION

Richard Felkins gave his support to creating guidelines for pool parties. He felt that reduced security hours may be contributing to the problem.

General question about washer and dryer safety issues and what the current Maui County code is for venting of dryers. Bret will contact the local fire chief for information. Jon said he believes only ventless style dryers meet county code without standard outside wall venting.

Dixie Durham questioned what constituted a “party”. She would also like to see a limit on more surcharges for things like storage. Believes there have been too many increases lately. She also volunteered to work with Bret and Rose on the pool heater project.

Jon asked Annie to review past motions concerning heating the pool and pass that information on to the board and the committee.

Suzanne O’Connell asked how much we had spent on sub-metering and Jon stated that after the rebate of about \$18,000 the net cost to us was going to be about \$38,000. Rose confirmed these numbers. She also noted there will be no impact on new buyers since the system will already be paid for – they will just be subject to paying their own electric bill.

Connie Albright cautioned that limiting parties to owners only would create a hardship on some of the “snowbirds” that come to stay at WC and have been coming for maybe 20 years and are really “old timers”. The problem falls to the cheaters who sidestep the rules and create problems. Jon noted that it seemed to be long term renters causing the problems. J. Morris will clarify this for us.

There being no further business: **MOTION** by Jack Thornton seconded by Georgia Olson to adjourn the Regular Meeting of the board and enter into Executive Session to discuss personnel and legal matters. Motion carried by unanimous vote. Meeting adjourned 11:45 A.M. HST

Return to Regular Session 1:10 P.M. HST. Several items were discussed in Executive Session with no matters to be brought forward at this time.

There being no further business, **MOTION** by Jack seconded by Georgiana to adjourn the Regular Meeting of the Board of Directors. Motion passed by unanimous vote. Meeting adjourned at 1:15 P.M. HST

Respectfully Submitted,

Annie Albritton, Board Secretary