



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

**NOTICE OF MEETING**

Date: Tuesday, March 15, 2016  
Time: 9:00 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 of Meeting

**Review/Approve Regular Meeting Minutes of December 4, 2015**  
**Acknowledge Special Executive Meeting of February 12, 2016**

**Officers Reports**

President – Treasurer - Secretary - Resident Manager

**Report** Fire Safety - Georgiana Olson  
Update Sub Metering

**Old Business**

Review Fee Structure i.e. Kayaks, Bicycles, Storage  
WC Rental Unit Review  
Solar Proposal Update  
Heated Pool Update

**New Business**

Rat Bands for Palms  
Event Coordinator/Bingo Night Discussion

**Open Session** - Owner Comments

**Executive Session** - Employee Update – Delinquencies & Liens

**Adjournment**

*Conference Dial-In Number:*  
*1 (712) 432-1500*  
*Guest Access Code 657819#*  
*This is no longer a free call.....*

**DATE OF NOTICE MARCH 2, 2016**

Respectfully Submitted  
By  
Annie Albritton, Secretary



BOARD OF DIRECTORS - ASSOCIATION OF APARTMENT OWNERS  
WAVECREST RESORT, INC.  
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## PRESIDENTS REPORT OF MARCH 15, 2016

Aloha.

The high occupancy winter season will soon be here and the staff will be working on a number of maintenance projects. We will finish applying a seal coat to the parking lots. The hallway remodels will be moving forward. The exterior light fixtures which have not been replaced yet, will be.

A reminder to owners, the installation and use of water shutoff valves in your individual unit, when you are absent, reduces the risk of water damage to your unit and other units. Please contact the Wavecrest front office if you would like to have water shut off valves installed in your unit so the office can help facilitate this. Additionally, if you have a clothes dryer in your condo it needs to comply with Maui County Building Code, which means interior units cannot have vented dryers and only end units with aoao approved vents can have vented dryers. If you do not have a dryer which does not comply with this law, it needs to be removed.

We continue to improve the landscaping at the aoao. Our staff and manager work hard to make Wavecrest a pleasant and well maintained place. I want to say a big thank you for all they do.

One person is still attempting to lease the fish pond located directly in front of Wavecrest from the State DLNR. The comment period is still open and I would urge all owners to write the State of Hawaii to express their views on taking ocean access rights away from us and giving them to one person. You can send letters or emails on this to Bret or the front office and we will send them to the State.

Regards  
Jon Givens

## 12/31/2015 (Year end)

	2014 Actual	2015 Y-T-D Actual	Comments
Revenue	869309.83	909191.52	
Expenses			
Utilities	222124.14	197199	
Professional Services	43198.07	59708.01	Legal Fees 15,236 over budget
Bldg Maintenance	87024.86	97868.92	
Payroll & Benefits	299097.21	310468.65	
Other expenses	198882.14	250685.26	Insurance Premium increase 10,430 over budget
Total Operating Expenses	850326.42	915929.84	
Net Revenue	18983.41	-6738.32	

## Delinquency Report

Agency Report	31-Dec-15	1-30 days	31-60	61-90
<b>ACTIVE OWNERS SUMMARY:</b>				
5100 MAINTENANCE FEE	95,215.42	6,627.65	3,837.43	84,750.34
5190 LEGAL FEE REIMBURSEMENT	7,759.18	1,644.05		6,115.13
5360 LATE CHARGES	30,035.21	1,530.37	1,398.80	25,784.80
5405 RENTAL INCOME-LOCKERS/STC	93.10	75.00	18.10	
6816 LIEN PROCESSING CHARGE	50.00			50.00
7550 RETURN FEE	30.00			30.00
<b>ACTIVE OWNERS TOTAL</b>	<b>133,182.91</b>	<b>9,877.07</b>	<b>5,254.33</b>	<b>1,321.24</b>
<b>DELINQUENT OWNERS COUNT</b>	<b>12</b>	<b>4</b>	<b>3</b>	<b>0</b>
<b>INACTIVE OWNERS SUMMARY:</b>				
5100 MAINTENANCE FEE	77,228.14			77,228.14
5190 LEGAL FEE REIMBURSEMENT	12,224.75			12,224.75
5360 LATE CHARGES	13,313.39			13,313.39
5361 INTEREST CHARGES	30.50			30.50
5405 RENTAL INCOME-LOCKER	950.00			950.00
6816 LIEN PROCESSING CHARGE	50.00			50.00
<b>INACTIVE OWNERS TOTAL</b>	<b>103,796.78</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>DELINQUENT OWNERS COUNT</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>

	TERM	MATURES	RATE	BEGINNING BALANCE	TRANSFERS TO/(FROM)	ENDING BALANCE
<b>OPERATIONS</b>						
1000 CHECKING ACCOUNT *				34,683.60	-4,560.92	30,122.68
1005 PETTY CASH				600.00	0.00	600.00
1007 CPB - DEBIT CARD				6,000.00	0.00	6,000.00
1070 BOH LQ #*****8614			0.0200	13,136.27	13,215.87	26,352.14
<b>TOTAL OPERATIONS</b>				<u>54,419.87</u>	<u>8,654.95</u>	<u>63,074.82</u>
<b>RESERVES</b>						
1740 MUTUAL OF OMAHA BANK				87.51	-87.51	0.00
1800 HCCU LQ#*****6002				408.03	0.15	408.18
1802 HCCU #*****5102	12	MONTHS	07/15/2016	0.6500		
1830 HTEFCU #*****8022	12	MONTHS	09/19/2016	41,561.95	68.09	41,630.04
1832 HTEFCU #*****3761	12	MONTHS	09/06/2016	46,422.44	0.00	46,422.44
1834 HTEFCU #*****9329	12	MONTHS	10/16/2016	60,198.80	0.00	60,198.80
1840 HSB LQ #*****9560				37,645.77	0.00	37,645.77
			0.4500	239,479.95	1,318.02	240,797.97
<b>TOTAL RESERVES</b>				<u>425,804.45</u>	<u>1,298.75</u>	<u>427,103.20</u>
<b>TOTAL ASSOCIATION CASH</b>				<u>480,224.32</u>	<u>9,953.70</u>	<u>490,178.02</u>
<b>LESS: RESTRICTED CASH (HELD FOR OTHERS)</b>						
4300 SECURITY DEPOSIT				392.45	0.00	392.45
<b>TOTAL RESTRICTED CASH (HELD FOR OTHERS)</b>				<u>392.45</u>	<u>0.00</u>	<u>392.45</u>
<b>NET ASSOCIATION AVAILABLE CASH AND DEPOSITS</b>						
				<u>479,831.87</u>	<u>9,953.70</u>	<u>489,785.57</u>
* CHECKING ACCOUNT MAY INCLUDE PENDING CAPITAL EXPENSES						
BEGINNING CASH BAL.-B.O.Y. 498,991.14						

## SECRETARYS' REPORT

MARCH 15, 2016

Since our last regular meeting on December 4, 2015, I have received email correspondence concerning the following issues:

December 11, 2015 – the group that volunteered to inventory items under the cabana building let the board know their schedule for accomplishing the task.

December 27, 2015 – Owner reported a lack of security at the cabana and problems with the trash not being hauled over the weekend.

February 7 & 8, 2016 – emails from two separate owners sharing their opinion relative to use of the Wavecrest PA system for Bingo night.

As you can tell from the brevity of this report, things have been fairly quiet. For me this means that owners are following procedures for filing maintenance request forms or request for corrective action forms when they see something that needs fixed at Wavecrest, whether it's repairs to our common elements or reporting issues with the house rules. These forms are processed and handled through management at the front office and only if an issue cannot be resolved is it considered by the Board.

Matt at the front office has kept owners informed when the palms are scheduled to be trimmed, of the new smoking regulations and location of the smoking areas as well as giving notice of a Wavecrest safety inspection regarding illegally installed washers and/or dryers.

I want to remind you that I have extensive files saved on a wide variety of topics, some of which go back over twenty years. If you are looking for information, I am glad to share what I have or may be able to point you in the right direction to find what you are looking for.

Respectfully Submitted,

Annie Albritton  
Board Secretary

### Managers' Report for Wavecrest Board Meeting. 3/16/2016

Our staff continues keeping Wavecrest beautiful by working hard and staying consistent with improvements and daily upkeep.

A big Thank you to our Staff!

#### Buildings:

- Numerous repairs addressed, with emergency water leaks and several afterhours issues. Plumbing repairs or Water damage mediation, drywall repair, painting and restoration. Some of the Unit's which may of been effected are as follows = A101, A201, A315, A 314, B 303, C204, C209, C216, C316, C305, C109, C209
- Mounted additional solar lights on posts as well as walkways.
- Designated smoking area near A building has improved pavers and lighting.
- Various Administration / Office duties and relations. House rules violations & maintenance request being completed.
- River bed manual clean out of matted materials and debris under coconut trees.
- Installation of a new light fixtures / sconces throughout the Resort with this exterior upgrade of the new design lighting to be in compliance with mandate dark sky Maui county deadline. We now have installed 70 % to date.
- Additional Security cameras for the resort have been installed at A & C buildings.
- Pest prevention and eradication of rodents.
- Hauling of various loads of materials for several work projects, and orders from Home Depot and Lowes.
- Bid received for pool heating with solar system.
- Safety concerns throughout the Resort. Meet with fire department and also talked with fire marshal concerning an inspection.
- Fire systems valves scheduled to be replaced with our fire system being functional and tested.
- Main water line repair of county requested bib capping at main prior to backflow assembly.
- Clear coating of light fixtures to old up longer and be less able to stain.
- Survey of owners needed shut off valves installed in their units. Currently we have 75% of units with these shut off valves.
- Security camera installed at front office.
- Rental of Wavecrest owned units, unit turn and prep.
- Computer issues with replacement of computer and configuration.
- Solar monitoring as well as further review of sub metering process.
- Prep of hallway remodel project and materials ready for project.
- New sign in form with signature of acknowledgment of rules and designated smoking areas.
- Licensed electrician and crew repaired several lighting and other electrical matters.
- Staff has completed road project with asphalt patching and sealing. New paint of parking stall lines= This is an ongoing project with several areas still scheduled for more sealing.
- Other various detailed and numerous maintenance repairs throughout the property.

#### Grounds:

- Removal of invasive weeds throughout the Resort.

- Panex hedge being planted across riverbed wall western boundary.
- Pigs trapped and removed by local contractor, free of charge.
- Emergency irrigation repair with complete Resort needing water to be turned off.
- Utility trailer repairs in progress with new hub, string and tire.
- Coconuts trimmed 1/6/16
- Numerous irrigation repairs addressed.
- Landscaped areas, pacers and cinder.
- Nursery maintenance and additional plants cultivated in our nursery.
- Numerous locations with additional new plantings.

#### Wastewater treatment plant:

- Various Projects, being proactive in its efficiency and improvement.
- Repair to WWTP blower with service to both blowers.
- WWTP State operators licensing test done by Ted Johns.
- Sludge judge ordered for testing of tanks.
- Pumping of the lift station and removal of heavy grit and solids.
- Work with Rural Water Hawaii, a nonprofit assisting in additional training educational material and other site resources, all provided at free of cost to the AOAO.
- Additional Emergency preparedness planning, as well as work with our licensed over site.
- Numerous small and operational improvements and cleaning of system and WWTP.

#### Swimming Pool and Cabana:

- Working with contractors on obtaining bids for heating the pool with solar panels.
- Kayak storage review and plans to rebuild storage area under cabana.
- Resolving Pool clarity and enforcement of showering off prior to pool use.
- Pool up keep and projects around pool area, including removal and level of rock stem wall next to shower.
- Cabana eaves are now completely new plywood and new siding / roofing materials, on southern and eastern sides, painted and sealed elsewhere. Large savings by completing this major renovation in house.

#### Scheduled Maintenance

- Hallway remodel project.
- Pavers set for smoking area near C building.
- Safety concerns throughout the Resort.

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

Date: March 15, 2016

Time: 9:00 A.M. HST

Place: Wavecrest Cabana and by \*Teleconference

**AGENDA & ORDER OF BUSINESS:**

**Call to Order:** Meeting called to order by Vice Pres Jack Thornton at 9:03 A.M. HST.

**Determination of Quorum:** Jon Givens, \*President - Georgiana Olson, Vice President - Michael Peters, Treasurer Annie Albritton, Secretary - Jack Thornton, Director - Bret Hoffman, Manager

**Owners Present:** Ken and Linda Bergstrom C113 - Richard Felkins C108 & C216 - Suzanne O'Connell B110 - Dan Reed C105 - Bruce Roessler B208 - James & Ingrid Kindsvater A215 - Reynold & Diana Holkinson B204 - Linda Broady C116 - Mike Nicholls A116 - Neil & Martha Strock A101 & B102 - John Coffey A315 - Verne & Connie Albright A305 - Carole Moore A313 - Amanda Ballou A211 - Richard & Sandy Leigh A105 - Luann Cefola A107 - Mel Veit B206

Vice President Jack Thornton announced that he would be chairing the meeting since President Jon Givens could not attend in person but is present via phone. He also announced the resignation of board member Rose Pecoraro and thanked her for her many contributions to the board. Her vacancy will be filled at the Annual Meeting general election tomorrow.

Jack asked for any amendments to the agenda and opened the meeting stating there would be no video or audio recording permitted and that the meeting was for owners only.

**Proof of Notice of Meeting:** Secretary Annie Albritton reported the Notice of Meeting was posted March 2, 2016.

**Approval of Minutes:** Secretary Annie Albritton noted the minutes of the December 4, 2015 meeting have been posted on the website for review. **MOTION** by Georgiana seconded by Jack to approve the minutes as posted. Motion carried by unanimous vote.

Jack acknowledged a Special Executive Meeting of the Board held on February 12, 2016. **MOTION** to so note the executive meeting made by Georgiana seconded by Michael. 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) Read by Jack Thornton with correction to the first sentence to read "winter season will soon be ending".

**Treasurer's Report:** (copy attached) Reserve fund stands at \$427,103.00

**Secretary Report** (copy attached) Annie noted that after her report was prepared, she did receive one other owner inquiry about the progress of the washer/dryer inspection and stating safety concerns for illegal dryers as well as improperly installed washers and dryers.

**Manager's Report:** (copy attached) Bret noted changing exterior lighting fixtures over to meet the new dark sky compliant regulations is about 70% complete. He is working with fire department concerns that our old hose system needs to be in working order for protecting ourselves on site and not just rely on the arrival of the fire truck. During the recent unit safety inspection he found that about 70% of units do have water shut-off valves. There is a plan in the works to change the design of the kayaks under the cabana to afford safer, easy access

**Fire Safety – Georgiana Olson:** Discussed the need to remove the flower islands behind the A Bldg to accommodate the turning radius of the large fire truck from town. Mike Nicholls offered that these beds had been approved for removal by a prior at such time as the parking lot is repaved. With the paving project on hold, the beds were not removed. General discussion about fire/water needs. Bret said both the trucks from town and Pukoo plus ten fire personnel were on site to review our fire capabilities. **ACTION REQUEST** – Bret to determine the turning radius needed by the town truck and whether any parking spaces will need to be moved (rather than eliminated). A bollard style barrier was discussed to define the driving/parking areas once the flower islands are gone.

**Review Sub-Metering – Jack:** Molokai Shores has chosen to run the meter line outside the electrical box across the unit hall ceiling and into the bldg hall. The low voltage, interference of the system inside the electric box has not been solved. Our Assoc. has paid approx \$30,000 into the project with the \$15,000 rebate on hold and a smaller final payment on hold as well. Jon believes we have paid for about 75% of the cost of the system to date. Essentially we contracted for a wireless system that does not work. Our course of action at this time appears to be to hardwire the system like Molokai Shores, have NPC investigate installation of boosters for the system or remove what's there and get another company involved. These options are under review by the board. General discussion. Jack invited any owner with knowledge in this field to contact him with any suggestions.

## **OLD BUSINESS**

**Review Fee Structure i.e. Kayaks, Bikes, Storage** – Jack restated that a new system of storage for the kayaks is in the works and on the “to do list”. Bruce said the inspection revealed 4 unidentified kayaks and 1 unidentified boat. Disposition of these items has not been determined. Jon said we currently rent a shed for \$40 a month, that large 520 sq. ft. storage space rent for \$40 a month and smaller 490 sq. ft. space rents for \$25 a mo. Michael suggests we continue with the current fees and discuss this in Sept at the budget meeting. Jon asked Annie to place it on the September agenda. **ACTION REQUEST** Jon asked Bret to make sure there are signed lease agreements for the 7 storage spaces. General discussion about WC theft liability for kayaks. No waivers being signed at this time. **ACTION REQUEST** Annie asked Bret to have the office create a list or spreadsheet of all the above rental information so the board can be presented with a list of annual activity – vacancies, rental fees etc. This information needs to be available to the board.

**Solar Upgrade:** John noted we have submitted a permit for a second stage, additional 100 KW but the county is issuing no more permits on Molokai. We will keep monitoring the situation and wait for an opportunity to move forward.

Jack asked about our PPA contract in relation to maintenance of the roof panels. Mike Nicholls said the contract call for Neighborhood Power to maintain and wash or keep the panels clean. We should NOT clean them ourselves. Jack said he would contact NP to fulfill their obligation and wash our panels.

**Heated Pool Update:** General discussion from owner’s present supporting heating of the pool. Bret secured one bid from Haleakala for \$24,000 for 16 4X4 panels on the pool roof. The board noted that to date, no one has been able to identify or find a permit for the construction of the pool building back in the 70’s. Any improvements to the cabana/pool building, which is within the shoreline management area (SMA), would require a permit which could trigger a county investigation in to the absence of a permit for the existing structure. General discussion. The permit issue is the board’s number one concern. **ACTION REQUEST** Jack agreed that we start by talking to Louigi and ask for his advice before moving forward.

**WC Rental Unit Review** – Eviction process in progress for unit B210.

## **NEW BUSINESS**

**Rat Bands for Palms:** General discussion. Bret recommended no bands and the use of alternative methods. **ACTION REQUEST** Jack asked Bret to contact the local pest company and move forward with extermination. Discussion of bait traps vs. poison. Note: There is no manpower to deal with this in house.

**Event Coordinator/Bingo Night Discussion** – Jon stated option were 1) to have the Association run events or 2) owner committee with owner run events, including bingo night. General discussion. **A VOICE VOTE** determined events will be private and organized/run by owners and volunteers and NOT the association office.

## OPEN SESSION

General comments about owner dissatisfaction about the complaint process or Request for Corrective Action. Annie stated that all complaints must be signed – anonymous complaints will NOT be considered. Because the complaint is signed they will and must be kept confidential. Owners against whom a complaint has been filed MAY NOT receive a copy of the complaint. Complaints must also be in writing – verbal complaints are not acceptable. The only exception is a confrontational issue where no written statement is necessary and fines are immediate. Bret said his goal is to maintain a peaceful atmosphere at Wavecrest. Methods of notifying complainant of action taken were discussed.

Ken Bergstrom asked for a cost figure for the hall refit and asked where the dollars come from. Michael said the materials are funded and the labor is not. Bruce questioned the board's ability to make changes to the common elements without owner approval. Annie said she would review the Bylaws and Declarations and provide Bruce with that answer at the meeting tomorrow. Jack said he and Bret would try and have a cost estimate by tomorrow. The original estimate was about \$300 for materials per hall plus labor. General discussion on what projects should take priority.

General discussion about the asbestos in the hall ceiling materials. That this material is only an issue if it becomes airborne. Jack said the area of the amount of ceiling material being disturbed to install the new light fixture had been calculated and it was found to be outside federal hazard standards. The area is too small. The rest of the ceiling is being covered.

The end result is the asbestos issue will be resolved with the completion of this project and the new light fixtures will be night-sky compliant. New entry door trim was discussed and owners felt this should not be paid for by the association.

General discussion about units being inspected for washer/dryer issues and a second notice being sent out to owners expanding the inspection to include a general safety inspection for shut-off valves, smoke alarms and lanai rail spindles.

Mike Nicholls questions the new plantings along the west streambed wall. Jon said they were planted to eventually block views of the neighbor's houses across the river from units in the B Bldg. Mike believes nothing can be planted in the streambed area according to SMA regulation and that the intention of the recent streambed cleanout was to allow the river to scour the banks and keep the bed clean of clogging debris. Mike will file a Request for Corrective Action for to remove the plantings.

Owners called out several structural issues they observed and Bret was asked to review them and put them on the priority list. Owner suggestion that WC hire a structural engineer to review and evaluate our aging buildings. Help us understand what we need to do and when. Suzanne said boards in the past conducted walk-about to review house rule infractions. She suggested they walk-about be reinstated by the board.

There being no further business: **MOTION** by Georgiana seconded by Michael 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 1 2:40 PM HST

Return to Regular Session 3:40 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 Michael seconded by Georgiana to adjourn the Regular Meeting of the Board of Directors. Motion passed by unanimous vote. Meeting adjourned at 3:42 P.M. HST

Respectfully Submitted,  
Annie Albritton, Board Secretary