



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

NOTICE OF MEETING

Date: Friday, December 1, 2017
Time: 9:00 a.m. HST
Place: Wavecrest Cabana & Teleconference

Agenda and Order of Business

Call to Order: Determination of Quorum – Homeowner's Roll Call – Proof of Notice of Meeting

Video or audio recording of this meeting is not allowed. This meeting is for owners only. Owners are asked to hold their comments until the Open Session after the regular business meeting of the Board of Directors.

Review/Approve: Regular Meeting Minutes of September 22, 2017

Officer's Reports: President – Treasurer – Secretary – Resident Manager

Reports:

Cabana Committee
Sub-Metering
Shoreline Erosion

Old Business:

Exterior Wiring on Common Building Elements
Record Retention
Washers-Dryers

New Business:

Insurance and water leak protocols and policy recommendations
NPC PPA solar system
Interim Board Appointment

Open Session:

Owner's Comments

Executive Session:

Delinquencies and Liens

Adjournment:

*Conference Dial-In Number:
1 (515) 603 - 3147
Guest Access Code 657819#
This is no longer a free call.....*

DATE OF NOTICE February 28, 2018

Respectfully Submitted
By
Debbie Davis, Secretary



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

Friday, Dec. 1, 2017
8:00 a.m. HST
Wavecrest Cabana & via Teleconference

AGENDA

Call to Order

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Review/Approve Regular Meeting Minutes of September 22, 2017

Interim Board Appointment of Kris Chernik

Officers Reports

President – Treasurer – Secretary – Resident Manager

Committee Reports

Cabana Committee
Sub-Metering
Shoreline Erosion

Old Business

Exterior Wiring on Common Building Elements
Record Retention
Washers-Dryers

New Business

Insurance and Water Leak Protocols and Policy Recommendations
Motion to Reimburse Jack Thornton for Expenses to Retrieve Old Records
from Honolulu
Monthly Recommended Check List for Condos

Open Session:

Owner's Comments

Executive Session:

Delinquencies and Liens – Employee /Personnel Issues – Legal Issues
Adjournment

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PRESIDENTS REPORT OF DECEMBER 2017

Welcome to the Wavecrest, December 2017, meeting.

To be brief, I would like to address some of the current items I have been involved with at Wavecrest.

Interim Board Appointment – Welcome Kris Chernik to the Wavecrest Board of Directors.

Washers-Dryers – Review of the new models that the vendor is wanting to use to replace the older models, in exchange for additional years (5) be added to the contract.

It is abundantly clear that the current system (and lack of repair) is not working. Taking over the laundry service within Wavecrest is an option, but is very expense heavy up front.

Insurance and Water Leak Protocols and Policy Recommendations – Policy and procedures for resolution of water leaks and other loss of property has been received by our AOA insurance agent. **(Attachment included)**

Per the 2006 board motion, presented by Mike Nichols, HRS require all owners to have insurance. Any owner who does not have insurance can be insured, billed through Hawaiiana, and the appropriate liens placed on their units per HRS. **(Attachment included)**

Kris Chernik will be contacting owners to get a **CONFIDENTIAL** copy of **HOME OWNER'S DECLARATION INFO** to be put with your **confidential** contact preferences.

- Please note the following information as you update and review your own insurance needs.
- Wavecrest has an \$11,000 deductible. Review your **"LOSS ASSESSMENT: SPECIAL COVERAGE, DWELLING"** section of your insurance. I contacted Poncho Alcon Jr, at First Insurance Co of Hawaii, and relayed this amount to him. He recommends that owners update their policies to reflect this amount. He reports that most policies have only \$5,000 of **LOSS ASSESSMENT: SPECIAL COVERAGE, DWELLING**, leaving a \$6,000 gap. This type of coverage can help fill the gap between replacement costs of "as built" vs "owner upgrades".
- Rental Coverage, insurance that covers rental loss is the responsibility of owners. If your rental is not usable due to water damage or other damage, Wavecrest is not responsible for covering your loss.
- **"Loss of Use"** during property loss is not covered by Wavecrest either. Update your own policy for coverage.

NPC PPA Solar System – We are undergoing another review of our option to purchase this system as a continued monitoring of a possible income source.

NPC Submetering - Is on hold pending proof of new permits required and adherence to our signed change order that protects Wavecrest from modifications/changes that were discovered during further installation of required equipment.

Exterior Wiring on Common Building Elements – Debbie is working on a process to bring all utilities and owners into compliance with Wavecrest Policy concerning removal of wiring in the hallways and determining appropriate placement.

Monthly Recommended Checklist for Unit Owners – We are working on a monthly checklist that owners, on island reps, and realtors can use to identify water leaks and other issues that can lead to unreported water leaks or other property damage.

Record Retention – The records were picked up, packaged, and shipped to Wavecrest. They have also been sorted and consolidated by Debbie, with Matt's help.

Other – My apologies to Debbie if I left out anything.

With respect,
Jack Thornton

INSURANCE CLAIMS POLICY
WAVECREST RESORT AOA

Purpose:

This policy clarifies operational policies, establishes action to be taken in the event of property damage in the **Wavecrest Resort** buildings and describes insurance considerations by apartment (unit) owners for claim(s).

Background.

The Association contracts for several types of insurance coverage. Of particular importance is the policy used most of the time for claim(s) arising from damage to property. The deductible for this policy is **\$11,000 per occurrence.**

Your Board is concerned over the increased frequency of water claim(s). The Board has adopted a water damage policy mandating action after water damage and specifying conditions for possible insurance claims payments.

Water Claims

1. If at all possible, stop the cause of the claim. Shut off the water
2. Call the Resident Manager immediately and advise of the situation. He/She will check for damage to units below and on the side of your unit.
3. Call in the plumber to repair the pipe or appliance that leaked. To assist resident(s)/owners(s), the Resident Manager has a list of licensed plumber(s)/contractors(s), many of whom have previously worked in **Wavecrest** buildings. These vendors have agreed to provide a report of their action(s) taken and necessary details to determine the cause(s) of the problem.
4. Call in the appropriate people to clean up i.e. extractors to dry out carpet, etc.
5. Call your homeowners carrier and report the claim.
6. Resident Manager will send an incident report to the Account Executive.

Insurance Considerations.

Because the damage to personal property is **not** covered under the Association insurance, owners should include all personal items under their own personal property insurance policies with appropriate and affordable deductibles.

1. Water damage claims – **Wavecrest Resort** insurance policy will usually cover damage to apartment wall(s) and floor(s) (except for special replacements more costly than the original coverage i.e. "upgrades") **but not furniture or other personal property.**

If a water damage claim(s) is "not covered" by the **Wavecrest Resort** insurance policy, the Association has no responsibility for paying the claim..

2. **Common Elements** – All areas and structures of the building which are not part of a unit are considered “common” and are covered by the Association insurance policies. “Vertical” drainpipes are common elements, which the Association is responsible to repair and maintain; “Feeder” drainpipes, water closets, showers/tubs, kitchen sinks, water supply pipes, hoses and connections within apartment “are not” common elements. **Maintenance of these items and conduit are the responsibility of the unit owner(s).**
3. Where a damage claim is attributable to the malfunction of personally owned fixtures of appliances, or from abuse or negligence by the resident, the Apartment owner will be responsible for payment of the insurance deductible or actual costs if less.

Fire Claim

1. Call 911. Give them specific details especially you unit number.
2. Sound the fire alarm.
3. Close your door and leave the unit – do not lock your door.
4. Instantly report to the Resident Manager.

Liability Claim

1. If necessary call 911 to provide medical attention
2. Report the incident to the Resident Manager
3. Get the names and phone numbers of the injured person(s)
4. Get the names and phone numbers of any witnesses
5. Call your homeowners carrier and report the claim
6. Resident Manager will send an incident report to the Account Executive

Owner Insurance Resolution

Board of Directors – Wavecrest Resort, Inc.
July 6, 2007

Be It Resolved, that in consideration of the Insurance Consent approved by the majority of owners by ballot vote at the Annual Meeting of March 15, 2007, the Board of Directors hereby adopts the following Owner Insurance Resolution.

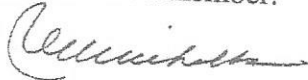
Owner Insurance: All unit owners are hereby required to carry reasonable types and levels of insurance which will include but not be limited to the following:

Unit owners will obtain a **Homeowner Policy** to insure their personal contents or household goods, improvements made to the unit by the present owner or a former owner, the cost to live elsewhere while the unit is being repaired, and loss assessment.

Unit owners will also provide **Personal Liability Coverage**. The liability of a unit owner shall include but not be limited to the deductible of the owner whose unit was damaged, any damage not covered by insurance required by subsection 514B-143(g) as well as the decorating, painting, wall and floor coverings, trim, appliances, equipment and other furnishings.

If the unit owner does not purchase or produce evidence of insurance requested by the board, the directors may, in good faith, purchase the insurance coverage and charge the reasonable premium cost back to the unit owner. In no event is the Association or Board liable to any person either with regard to the failure of a unit owner to purchase insurance or a decision by the Board not to purchase the insurance for the owner, or with regard to the timing of its purchase of the insurance or the amounts or types of coverage's obtained.

This Resolution is adopted according to Section 514B-143(g) Condominium Law State of Hawaii and will take effect immediately upon distribution to each Association member.



Michael C. Nicholls
President, Wavecrest AOA

From: Wavecrest Management
To: All Wavecrest Homeowners
Subj: Homeowner & Renter Insurance
Date: 15 November 2017

Aloha Homeowners,

As a friendly reminder, HRS requires owners have homeowner's insurance on their unit.

If the unit will be rented out, short-term or long-term, we are recommending owners have renter's insurance as well. This will address loss of income issues not covered by the AOA. Damage can be extensive and expensive, so it's best to have the insurance that best suits your unit and needs.

Another recommendation is to have a cleaner or on-island representative check the unit monthly and report any signs of water damage immediately to the front office. This can be done in person, over the phone, or by e-mail. Wavecrest is in the process of creating a form that can be given to the on-island representative with a checklist of items to look for and look at.

If a leak is suspected, the first thing that should be done is to turn off the water to the unit, and inform management. Management will be able to investigate the leak. Management will contact the unit owner and inform them of their need to contact a plumber.

If an owner does not purchase insurance on their own, Wavecrest will purchase insurance on their behalf and bill the owner's account at Hawaiiiana, per the Owners Insurance Resolution letter dated July 6, 2007. The insurance company for Wavecrest is *Insurance Associates* with the point of contact Sue Savio at 808-538-6938.

Mahalo.

Wavecrest Management

**Wavecrest AOA
Treasurer's Report**

	Actual 2017 October	Budget 2017	YTD Actual	YTD Budget
Revenue	* 78201	82295	789629	794150
Expenses				
Utilities	12002	17315	151709	173150
Professional Services	2410	3858	33412	40775
Bldg Maintenance	6614	7808	65213	88400
Payroll & Benefits	26332	27912	296680	287149
Other expenses:				
Insurance Master Policy	0	0	83657	83500
Insurance Flood General	83985	78000	83985	78000
Insurance Claims	0	0	500	0
Meeting Expense	1910	1650	7743	6600
Miscellaneous Expense	0	0	3689	1500
Maintenance Fee Expense	3630	0	34680	26880
AOAO Wavecrest Rental Expense	0	0	2330	0
Misc-Condo Registration	0	0	1444	0
AOAO Office Expense	605	0	5780	6700
Real Property Tax	0	0	1454	1320
State General Excise Tax	598	675	2234	2700
Debit Card Expense	0	0	11144	0
Total Operating Expenses	138086	137218	785654	796674
Net Revenue	-59885	-54923	3975	-2524
Capital Improvements	800	0	7726	51195
Total Cash Disbursements	138086	137218	793381	847869
Cash and Investment Balance				
Operations	40,601			
Reserves	343,862			
Total Association Cash	384,463.00			
Delinquencies - Active Owners	Oct-17	Sep-17		
Maintenance Fees	59162	60,433		
Legal Fees	1384	1,384		
Late Fees	14836	14,876		
Interest Charges	12372	11,538		
Rental Income-Locker Storage				
Lien Processing Fee	50	50		
Return Fee	30	30		
Total	87834	88311		
Delinquencies - Inactive Owners	200705	200,705		

* Does not include rental income (\$3155)

** 95% from two owners



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Phone (808) 558-8101 Fax (808) 558-8102

Secretary's Report

December 1, 2017

I took the position of secretary just before our last board meeting in September. I am honored to be on the board and honored to serve all of the owners here at the Wavecrest.

Before I give my rather brief secretary's report, I would like to take a moment and express my gratitude to two of the owners here at the Wavecrest.

During the learning and transition stage our previous board secretary, Annie Albritton, was extremely helpful in directing me through the board secretary "maze". She graciously gave of her time and energy and has been very supportive. Thank you, Annie.

I would also like to thank Connie Albright for her input, help and support.

RECEIVED BY THE BOARD SINCE THE SEPT. 22, 2017 MEETING:

Linda Broady:

Coordinated a "Fire Prevention Awareness Class" presented on November 28, 2017 by the Mana'e Branch of the Maui Fire Department.

Donna Brown:

Received, on November 16, 2017, a request for an Incident report for 10/11/17 and a Plumbers report for 10/12/17, regarding the water damage to their unit B107 and a second request for information and an update on the situation on November 18, 2017.

Cabana Committee:

Received a copy of the letter that went out to owners requesting donations to purchase new Christmas decorations for the cabana.

Suzanne O'Connell:

Update on STRH tax information.

Connie Albright:

Asked that the minutes from the September 22, 2017 meeting be amended to record how each board member voted on the 2018 budget.

Cathy Felkins:

Asked to have the Cabana Committee put on the December meeting agenda and would like to have the cabana decorated a day early for the December meeting.

With Respect,

Debbie Davis, Secretary

Managers' Report for Wavecrest Board Meeting. 11/24/2017

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 a multitude of afterhours issues. Plumbing repairs or Water damage mediation, drywall repair, painting and restoration.
These type plumbing issues, emergency situations and the extensive mitigation work involved = All of which are effecting the operation greatly. The aging plumbing infrastructure is the number one and most relevant problem at Wavecrest Resort. This should be the number one concern for management, the board and owners. Nothing compares to the level of concern or effect this has on all owners, with numerous levels and degrees effecting all. For example, all it takes is only one single failure for damage of thousands upon thousands of dollars. I recommend the AOA to have a detailed planning session based only on this topic. Wavecrest needs to truly analyze the long term costs and effects of the continued deteriorated plumbing infrastructure, the abuse of this system, as well as the effects on our WWTP. What are the budgetary demands as various plumbing emergencies / issues will be more regular over time due to age and abuse of this infrastructure? Everything inter-relates to this= al bathrooms, all kitchens, the pool, the laundry' 'washers'', unit's personal laundry, garbage disposals, dish washers, all plumbing = both pressurized and waste, the sewage plant and its operation., irrigation / grounds. Insurance, maintenance, costs of mitigation, reserves, etc.
- Deferred maintenance and other basic maintenance repairs and upkeep.
- Water leaks and emergency plumbing events galore. Approx. a dozen events with time consuming efforts by staff and management in the resolution of these crisis. We have hit record levels of these type of plumbing disasters in this short period. Mitigation work and repairs = all time consuming. Follow up with insurance companies and owners.
- Review of the State of Hawaii Sea level rise meeting with management and board member attendance. The hard truth about sea level and the effects of king tides affecting the front eastern corner of the Resort. Extensive research into erosion control strategies allowable by Hawaii law. Under Hawaii's Coastal Zone Management Law, HRS Chapter 205A-2, it is the policy of the State of Hawaii to discourage all shoreline hardening (also known as shoreline armoring) Special Management Areas or Shoreline Setback Areas have stricter policies also. SMA approval is vital.
- Completed new front parking lot configuration, with wider stalls and new handicap parking stall poured with new cement. Much improved spacing as well as safer.
- Fire Department prep for safety meeting and work on improving the Resorts ability to prevent loss.
- Pool safety measures and updating to assure compliance with State laws.
- Nearing completion, the painting of the tennis court with a rust stop coating for longevity preservation.
- More cabana roof sealing, to prevent leaks in heavy rains.
- Truck repairs, golf cart repairs and other equipment maintenance.
- Staffing and operational adjustments with focus on efficiency.

- Completed Initial access panel installation in units to facilitate sub- metering project, this part was done in house.
- Minor repairs to C102 to make Rent Ready.
- Unit B203, remodeled with all new paint and lots of small repairs to make Rent Ready.
- New signage at front entry as well as enlarged Quite time signage on all floors.
- Various Administration / Office duties and relations. House rules violations & maintenance request being completed.
- Owners or on island rep inspection list recommendations.
- Outside Contractor orientation packet and rules.
- Work over NPC sub metering project, now on hold to assure Wavecrest is getting what had been planned on or agreed upon in advance of specific design details for the project.
- Continued with lots of work on resolving the incomplete sub metering project with NPC. Working to assure the best outcome for the AOAO with the design anticipated to address the need for a wireless system, longevity, and functionality.
- Paper work, mountains of filed Wavecrest papers removed from storage in Oahu and sorted etc. Thanks to Jack, Debbie and staff for working on this undertaking.
- Hauling of various loads of materials for several work projects.
- Insurance dialog and correspondence over claims and responsibility.
- Other various detailed repairs and numerous maintenance preformed throughout the property.
- Budgetary adjustments and proposals, to save money for the AOAO.

Grounds:

- Removal of invasive weeds throughout the Resort.
- Completed coconut trimming.
- Extensive trimming and pruning of grounds and hedges, hauling debris.
- New Benches installed for ocean and sunset views.
- Major flooding on the whole island and Maui county with the stream bed adjacent to Wavecrest following backward at ocean / mouth of stream and inundating the lawn, the pump house and parking lot near A and B buildings. Literally well over 25 Tons of debris / muck. This cleanup was coordinated with the quickest response by staff with all hands aboard. A big thank you for the staff's diligent efforts. This set back normal operations with the detailed clean up being so encompassing and time consuming.
- Numerous irrigation repairs addressed, due to the aging complex and age of the irrigation system there is more frequent major repairs to or system, involving diagnosing and lots of work in trenching and repairs.
- Plumeria trimming and clearing at employee parking area, also pruning of hedge A building.

Wastewater treatment plant:

- Various Projects, being proactive in WWTP efficiency and improvements.
- WWTP operator attended a 2-day detailed course specific to the processes related in the Wavecrest plant. This will also serve as continued education requirements.
- New main clean out replaced old deteriorated one adjacent WWTP.
- No Bleach policy still being a proactive solution to many issues in WWTP and others getting residue bleaching in the washers. Banning bleach use for Wavecrest occupants, can reduce these issues.
- Lift station servicing, with set up of float lines.
- Operational improvements and cleaning of system in the WWTP.
- Continued education of the guest and owners of the importance what to Not put down our drains and the delicate balance of operating our own Waste Water Facility with State regulations and guidelines. We continue to put out both documentation, flyers and emails to keep all residents and guest with the correct understanding.

Swimming Pool and Cabana:

- BBQ and pool floor area cleaned.
- Pool safety measures and updating to assure compliance with State laws.
- Professional window cleaning kit ordered.
- New trim edge installed for safety on Cabana carpet a fronting pool has now has first one foot covered with rubberized tread, allowing more life to carpet that was being worn out.

Scheduled Maintenance

- To be determined as needed and by Board recommendations.

Cabana Committee Christmas Decorations Fundraiser

The Cabana Committee would like to thank the following homeowners for their generous donations (in order by condo number).

Misc - Anonymous x 2 owners
A113 - Steven Hurley & Roger Tinsman
A206 - Gerald & Meredith Johnson
A209 - James Kelly
A211 - Amanda Ballou
A215 - Jim and Ingrid Kindsvater
A301 - Randy Carpenter
A308 - John & Shelley Scriver
B201 - Ted & Darlene Johns
C112 - Kris Chernik
C114 - Richard & Debbie Davis
C116 - Don & Linda Broady
C203 - Richard & Gayle Roddy
C207 - Jerry & Carol Gillen
C216 - Richard & Cathy Felkins
C315 - Michael Smyrski

A total of \$994.92 was collected for the purchase of the following:

- Full Size pre-lit Christmas Tree, new Ornaments (approximately 140) & tree skirt
- A Waterproof bag for long-term storage of the tree
- Four 48 inch wreaths with lights and Ornaments
- Ribbon for the wreaths and tree
- Four New Timers so lights can be turned on and off automatically
- Five new extension cords
- New Lights to hang in windows and eaves
- Two Full Length Red Tables Cloths (for Christmas & Valentines events) with Metal Clips (to stay in place if windy) and Clear Plastic overlays to protect cloths when used for food

The committee did our best to present a resort style design within the funds received. We made a commitment to also "buy local" and therefore approximately 75% of the funds were spent here on Molokai. Receipts and full accounting available upon request. As of November 29 we have \$25 remaining. This is due to a last minute donation which included a note to save for the future if this project is completed.

Also a special thank you goes to Bruce Roessler (B208) who; has organized the putting up (and taking down) of the decorations for many years, and is starting to let the Cabana Committee organize this project. Thank you Bruce for your service!

Submitted by: Connie Albright, Cathy Felkins, Steven Hurley & Roger Tinsman