



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

Tuesday – March 12, 2018 9:00 a.m. HST
Wavecrest Cabana & via Teleconference

*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.*

AGENDA

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

Review/Approval of Minutes and Reports -

Regular Meeting Minutes of December 12, 2018
President, Treasurer, Secretary, and Manager's Reports
Cabana Committee Report - Cathy Felkins

Old Business

Sub-Metering billing follow up – Jack
Professional Reserve Study Update – Jack
House Rules slippers/doormats - Jack
Hall light motion sensors - Jack

New Business

Written Fee Agreements and Flat Fee Charges - Jack
Senate Bill 2351 governing employment applications compliance - Jack
Termination of Utilities and Services to Delinquent Owners - Jack
Sub Meter Tampering - Jack

Open Session - Owner Comments

Executive Session - Employee/Personnel Issues – Delinquencies & Liens/Legal Issues

Adjournment

*Teleconference Information:
1 (515) 603 – 3147
Guest Access Code 657819#
This is no longer a free call.....*

Board Meeting Minutes December 7, 2018

Jack Thornton, President called the meeting to order at 9:05 am HST

Board Members by teleconference: Jack Thornton A-207, Martha Strock A-101 & B-102, John Coffey A-315, Michael Peters B-213; and present Roger Tinsman A-113 & Gerry Johnson C-313 & A-206. Quorum established.

Teleconference owner attendees: Georgie Olson A-103, Mike Nicholls A-116, Greg Lappin C-312. Owners present in the Cabana: Linda and Ken Bergstrom C-113, Steven Hurley A-113, Michael Brown B-107, Gaellen Quinn C305, Meredith Johnson C-313 & A-206, Richard Davis C-114, Jerry Gillen C-207 & 306, Ted and Darlene Johns B-201, Dorothy Donaldson A-214 & A-305, Jim and Ingrid Kindsvater A-215, Barbara Goldberg C-206, Jeff Borton A-216, Dan Reid C-105, and Mel Veit B-206

Proof of notice of meeting November 23, 2018

Request for corrections or changes to October meeting minutes. None offered. Martha moved to approve minutes, John Coffee second, vote passed unanimously.

Jack read the President's Report. Report attached.

Martha highlighted details of the Treasurer's Report. Report attached.

Roger Tinsman reviewed the Secretary's Report. Report attached.

Ted Johns read highlights of the Manager's Report. Report attached.

Old Business:

Sub Metering Report: Jack reported that the biggest issue is with the transition from what we were originally promised, to what we have been able to achieve. We are trying to ensure that we have our own back up system for electrical usage in place, not "piggy-backing" on Neighborhood's system. We are repairing holes in the contract that did not make clear our provider's responsibility to make timely repairs in the event of malfunction. Jack has been in touch with all involved and we are trying to make sure that if there is a Spectrum problem for instance, that it won't bleed into the sub-metering functions. Again, there may be a delay in receiving the first "live" billing in December.

Professional reserve study: Jack hopes to have a proposal to present at the March meeting, including details on the company we will select to do a professional reserve study.

Hallway Remodeling Update: Jack reported that the project has been reduced to only 3 elements, 1.) motion detection light switching 2.) replacement lighting that is energy efficient and 3.) cosmetic repair to damaged surfaces. Ted will present a report on the process, including cost of labor and materials to share at the March meeting. The plans priorities will be to address any currently damaged hallways first, and to create as little disruption for residents as possible.

House Rules / slippers in common hall space: Jack stated that by Board vote on 12/04/15 House Rules were clarified to state that there are to be no slippers or doormats in the hallways. Jack wants it reevaluated for potential change. Discussion ensued that ranged from ADA requests / requirements, to Hawaiian hospitality traditions. Jack moved that Roger Tinsman research this issue and present options to the Board, and that the Board have the authority to vote on this issue outside of a regular meeting and report back at the March meeting. Georgiana questioned whether the Board can vote on a motion when not in open session.

Jack amended his motion to reflect a change to present findings and vote in the March meeting, and Martha seconded. Motion passed 4 Yes (Martha, Jack, Michael, John) 1 No (Gerry) 1 Abstain (Roger).

Further discussion regarding objects in the hall and general rule enforcement ensued until open session.

Open Session:

Dan Reed C105- The main reason the slippers rule was put in place was for vacuuming. He stated that he hopes there is not a double standard between ground floor units and upper units regarding Lanai checks.

Ken Bergstrom C113- Regarding sub metering billing delay, will the time frame of the live-billable period be the same? And will there be some leniency on the due date for payment? (Answered Yes). He also questioned the savings involved in installing hallway motion detectors and new lights.

Mike Nichols A116- How were the rate charges of 42¢ per kilowatt hour developed? He asks the Board to provide a "true up" on at least a quarterly basis.

Jack stated that there is currently a motion from the last meeting to report on the process and billing amounts to be sure they are correct in the time frame of next June's meeting. Suggestions were made that the time frame be adjusted to the March meeting. Generally agreed.

Georgiana asked if the amount we are charged compares with what MECO charges. Ted answered 42¢, and that is the same as homeowners are being charged.

Linda Bergstrom C113- She reported that if you Google Multi Family Billing you'll see many negative reviews. She feels that the billing introduction has not been well managed. Ted responded that he had personally contacted three separate condo associations that use this billing service and that they all spoke very highly of them.

Dan Reed C105- Wavecrest looks very good right now, his compliments to Ted and team, and please remember the employee Christmas fund.

Dorothy Donaldson A214 & A305- The Conference call machine needs a mike stand before the next meeting. Ted said that he will get it done. Jack states that Matt and he are doing research on this.

Jerry Gilliam C207 & 306-

1. How was the \$40 reduction to HOA fees arrived at to counter electrical billing? Martha explained she took 12 months of billing for electricity, averaged them and divided by 126 units, and removed the common areas. It came to the \$40 amount.
2. Will all documents, such as the Manager's Reports, be available to the public on the new website? There was a lost sale because of information available on the old website.
3. Solar panels: where does power go during a power outage? It is automatically shut off to protect MECA employees trying to effect repairs.
4. Is there a rule against screening in a Lanai? Yes. It is a limited use common space and alterations are limited to storage unit guidelines.
5. Slippers might be accommodated by a wall rack in the hall.

Georgiana asked for the amounts that we actually owe Neighborhood Power in the end. Jack reviewed a timeline of estimates. [After the meeting Jack asked that the following figures be added as an addendum response: Signing = 10% = \$5,445.56, Start = 40% = \$27,227.31, Completion = 50% = \$22,781.25 - and negotiated credits approx. = \$5,500] Her concern is that there was not a line of set aside money in the budget to cover the final amount.

John Coffey moved and Martha Strock seconded the Board move to Executive Session. Passed unanimously at 10:30 HST after a 30 minute break.

Executive Session convened at 11:04 HST

Executive Session closed at 12:00 HST

Open session immediately reconvened and closed at 12:01pm

Presidents Report
March 2019

Aloha,

There are several new, as well as continuing, items that we will be going over today. Up first I would like to announce we have hired Zaidarene Place as our new Office Administrator. Many of you may remember her from her previous time at Wavecrest working in the office. Zaida was most recently working in the offices at Kawela HOA. She brings needed experience and skill to Wavecrest as our new Office Administrator as we tackle the challenges ahead. Zaida starts March 18.

The website for sub meter billing access will be reviewed again. HMU [Hawaii Multifamily Utility] has changed its name to IKEHU UTILITY SOLUTIONS [IUS]. This has resulted in the need for those of you on autopayment to deactivate your account on the website and immediately reactivate [authorize] it. Ted sent out the directions for doing this, but for those of you who want a refresher Ted [with Neil's help] will go over this again, as well as other directions for using the website system, after the meeting is over. Once again, a reminder. If you are having trouble, please contact IUS directly. Getting help insures that you will not be charged for late fees if issues are beyond your control. Ignoring the billing WILL result in late fees if you do not address any issues you are having in a timely fashion.

Also, the authority to install the Sub Metering will be reviewed, briefly. There will be no discussion on the issue as it is settled business.

The billing for sub metering and how the HOA dues offset amounts compare will be addressed. All final decisions will be reviewed at the June 2019 Board Meeting for accuracy once again. Wavecrest will adhere to Hawaii Revised Statutes, MECO Utility Rates, and Wavecrest Bylaws in determining the actual amounts. This issue is not up for discussion, but further explanation is certainly warranted.

We are re-releasing the information from the motion that was passed [2012?] allowing Wavecrest to restrict access and use of facilities for owners, and their renters, who have any delinquent accounts payable.

Parking permits **MUST** be displayed in vehicles and match the unit to which they are assigned. Owners not using permits and your renters not using permits will receive fines and it will be up to owners to collect for these fees from their own renters.

As always, the board accepts written input, as well as polite civil and verbal input, at all board meetings. Written input is accepted at any time and does not have to be turned in prior to or at the time of the board meeting.

Best regards,
Jack Thornton

Wavecrest AOA
Treasurer's Report

	Actual 2019 January	Budget 2019	Actual 2018 January	Percent Change January/January	YTD Actual	2019 Budget
Revenue	114781.34	83164.98	82639.8	38.9%	114781.34	83164.98
Expenses						
Utilities	16574.36	18188.66	12957.74	27.9%	16574.36	18188.66
Professional Services	2360.66	3829.65	2966.94	-20.4%	2360.66	3829.65
Bldg Maintenance	4067.26	8833.3	5642.82	-27.9%	4067.26	8833.3
Payroll & Benefits	23228.93	28219.73	27848.37	-16.6%	23228/93	28219.73
Other expenses:						
Insurance Master Policy	32765.61	7365.01	16949.32		32765.61	7365.01
Insurance Flood	1020	0	0		1020	0
Insurance - Auto	0	0	0		0	0
Insurance - Claims	1672.23	0	0		1672.23	0
Meeting Expense	0	1500	0		0	1500
Miscellaneous Expense	173.99	125	309.42	-43.8%	193.99	125
Maintenance Fee Expense	2825	3333.33	3025	-6.6%	2825	3333.33
AOAO Wavecrest Rental Expense	0	0	0		0	0
AOAO Office Expense	565	605	605	-6.6%	565	605
Unreconciled Debit Card Items	1223.1	0	0		1223.1	0
Real Property Tax	0	99	0		0	99
State General Excise Tax	611.84	190	665.8	-16.6%	611.84	190
Total Operating Expenses	87087.98	72408.68	70970.41	22.7%	87087.98	72408.68
Operating Surplus/Deficit	27693.36	10756.3	11669.39	137.3%	27693.36	10756.3
Capital Improvements	0	0	0		0	0
Total Cash Disbursements	87087.98	72408.68	70970.41	22.7%	87087.98	72408.68
Cash and Investment Balance						
Operations	107,761		86440.49	24.7%		
Reserves	451,833		346,974.86	30.2%		
Total Association Cash	559,593.80		433,415.35	29.1%		
Delinquencies - Active Owners						
Maintenance Fees	81340		67,231	21.0%		
Legal Fees	2929		1,384	111.6%		
Late Fees	15376		14,986	2.6%		
Interest Charges	28345		15,140	87.2%		
Other Taxable Receipts	0		405	-100.0%		
Fines	13450		200	6625.0%		
Rental Income-Locker Storage	0		895	87.2%		
Unit Svcs and Repairs	0		85	87.2%		
Lien Processing Fee	50		50	0.0%		
Return Fee	0		90	87.2%		
Total	141490		100466	40.8%		
Delinquencies - Inactive Owners	206431	on 14 inactive	201,215	2.6%		

Secretary's Report

March 12, 2019

Since the December meeting, owners contacted me for the Wavecrest Board of Directors regarding two main topics; 1. the electrical sub-metering implementation, and 2. concerns with water leak issues. Jack replied to all who asked about the sub metering by direct email to answer questions and explain the Boards activities on the process. Those emails have been noted in aggregate below with dates received. Other communications are listed separately. Copies of emails I received were forwarded to the entire Board.

Owners wrote with questions regarding the implementation of the electrical sub-metering on the following dates: December 27 (4 separate emails from 2 owners), one on December 28.

Owners wrote with questions regarding fresh water line leaks in Building C on the following dates: 3 emails from 3 separate owners on January 16, one on January 17, and one on January 22.

On December 31, 2018 an owner wrote suggesting the Board consider examining the Service Dog guidelines in the House Rules, including fines, based on a new Hawaii state mandate.

On January 6, 2019 an owner wrote to remind the Board that an owner's vehicle has been parked long term in our lot without current registration, an infraction of the House Rules.

On January 7, 2019 an owner wrote to suggest that it is a good time for the Board or their designates to evaluate additional solar power installation, coupled with storage (batteries) or even possible EV charging, based on MECO's newly eased curtailment of new rooftop generation installations.

On January 10, 2019 an owner wrote a letter of appreciation, commending the way staff handled a leak that had affected their unit in C building.

On February 7, 2019 an owner wrote to suggest the Board explore technology of pipelines to repair pinhole leaks in copper piping without complete replacement.

On March 1, 2019 an owner wrote requesting consistency in parking permit enforcement, and a review of the current enforced rules and fees.

Respectfully submitted,

Roger Tinsman
Board Secretary

Prepared March 12, 2019

RESIDENT MANAGER'S REPORT : C. Ted Johns

Period covering - December 7- March 13, 2019 [Meeting: March 13, 2019]

COMPLETED PROJECTS:

Lena Blue / December 11, 2018: Pumping and removal of septic sludge.

Pacific Electro-Mechanical/ January 3, 2019 Electrician and Paul- Trouble shoot of Electrical short of all exterior night lighting on C building common hallway side. Short found and lights restored.

Darryl's Plumbing/ January 10, 2019: One-inch copper fresh water supply line pipe replacement of sixteen feet in attic of C building.

WI-FI / January 18, 2019: Upgrade WI-FI antennas located - south of A building and cabana.

Bug Man/ (Pest control) January 21, 2019: Manager requested new and more rodent bait stations be installed on property.

Coke-Cola/ January 2019: Vendor installed new soda machine.

TW Systems/ (Laundry Vendor) February 9, 2019 Technician on property and repaired two machines.

PROJECTS COMPLETED IN HOUSE:

Staff very industrious in trouble shooting and maintaining common areas and systems.

One diseased coconut tree cut down and removed. Tree climbers would not climb.

Leaks investigated and repaired, as able, on an as needed basis.

Eighteen (18) Homeowner maintenance requests completed.

Electrical substandard wiring issues addressed through out property.

Inspection of units under going alteration for needed upgrades.

Rust areas and leaking seams of rain gutters on C building and B building, courtyard side and A building parking lot side repaired. Different methods tried to deaden sound of dripping water in bottom of gutter downspouts.

Thank you to Board of Directors and owners for staff Christmas party held at Paddler's December 20, 2019.

New lights installed atop handrailing at entrance to pool

Install GFI receptacle in plug-in outlet by car wash area.

ONGOING PROJECTS:

Continued removal of defunct external cables.

Continued upgrade of complimentary Wi-Fi with help from Neil Strock and Jack Thorton.

Research possible increased kayak storage.

POOL: Good clarity, pH at comfortable level.

Other:

1/30/19 Wavecrest has hired a new office administrator. The new OA is a former employee, Ms. Zaidarene Place. Ms. Place will start March 18, 2019.

2/27/19 New Husqvarna- gas powered hand blower purchase for Grounds staff.

Note: Recent reports of incidents of tenants feeding wild animals. Feeding of wild animals is a health issue and subject to an immediate \$ 100.00 Fine. Feeding wild animals attracts rats.

Parking: All vehicles parked on Wavecrest property over night must have the issued parking pass for the unit displayed prominently in the vehicle.

Service or emotional support animals- Proper authorizing paper work must be presented to the Resident Manager for approval **Prior to arrival** of the tenant with the animal.

Units under Wavecrest's control: C 102- Rented; B 210- vacant, ready to rent; B 203- vacant, ready to rent.

Fourteen (14) house rules violations issued.

Four (4) incident reports completed by manager.

Wastewater Treatment Plant:

Hired assistant plant operator: Reyn Dudoit to work fifteen (15) hours per week.

Outside pumping removal of septic excess sludge.

Replacement of two swing gate check valves on blower system.

Continued inorganics put down property drain/ waste pipes- Paint, grease, paper towels ,paper, feminine hygiene products and excess food waste.

Note: Only mild soap and what we ingest should" go down drain." All other inorganics are to be disposed of in trash.

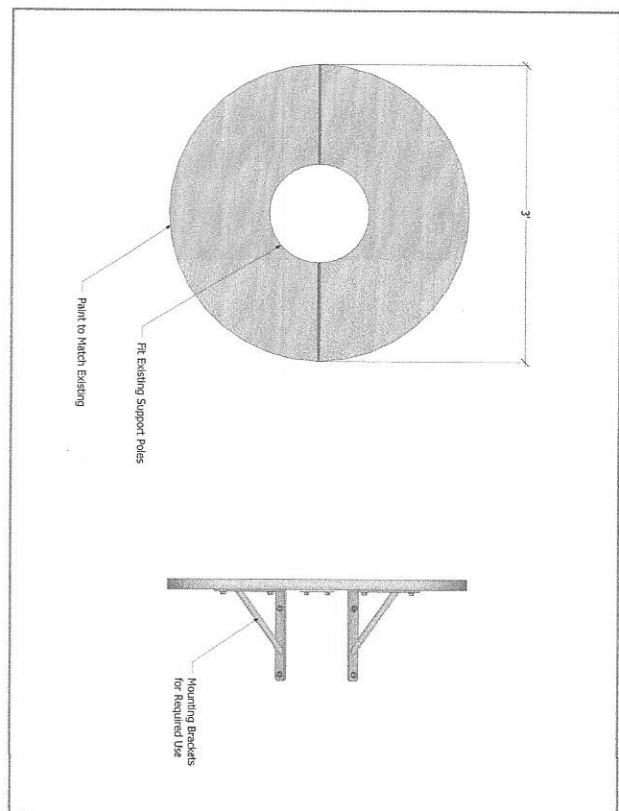
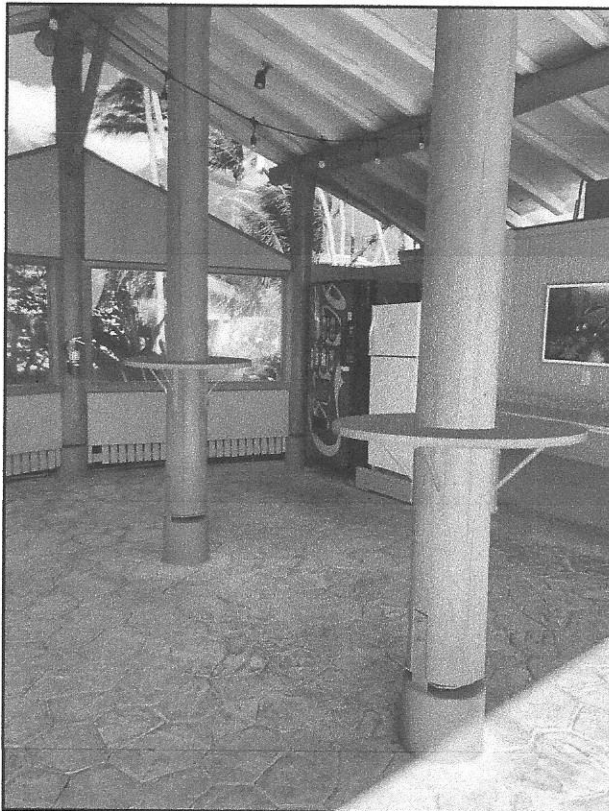
Absolutely NO Bleach down the drain.

Cabana Committee Report

The Cabana Committee has continued working with management to make incremental, low-cost improvements to the Cabana/Pool/BBQ area. This quarter the committee gave Ted Johns, our Resident Manager, drawings that reflect a proposed improvement to the BBQ area that could be made in house. (Drawings are below.)

The Committee proposes that two bar height rounds be added on the support beams for BBQ users to stand around, set drinks on and engage in conversation. And since they will be 18" higher than table height, they would act as an additional surface for food when folding tables are brought in for events like the Owner's Luau or potlucks.

The Cabana Committee is still discussing a fundraiser for next winter to help purchase some additional large scale tropical-themed artwork that will coordinate with the two existing pieces, and enhance the Cabana.





Report with Options for Board Action

Prepared for: Wavecrest Board of Directors

Prepared by: Roger Tinsman, Secretary

January 24, 2019

For Action / Vote at March 12, 2019 Owners Meeting

SUMMARY

Objective

On 12/04/15 the House Rules were edited to state that there are to be no slippers/shoes or doormats in the hallways. Jack proposed in the December meeting that it be reevaluated for potential change. By vote I was charged to prepare a report for the Board to consider owners viewpoints on the policy and possible changes, with a goal that the Board could evaluate if the current House Rule on this subject should be changed, and if so in what way. Any rule at Wavecrest should be easy to understand for owners and renters and easy to enforce for staff.

Current Rules

In the full Wavecrest House Rules document the rule reads “NO SLIPPERS or door mats in hallways” (OTHER COMMON/LIMITED COMMON AREAS #9)

In the condensed version attached to guest sign in forms the rule reads, “No shoes or doormats are to be left inside the hallway”.

The current Bylaws read: “No unit owner or occupant shall place, store or maintain in the halls, lobbies, stairways, elevators, grounds or other common elements of similar nature any furniture packages or objects of any kind or otherwise obstruct transit through such common elements.” (Article 5 “Obligations of Unit Owners” Section 3. Use of Project (c))

Arguments Pro and Con

- **Doormats pro:** They say “welcome”, and help control loose dirt if shoes are wiped on them
 - **Doormats con:** Allowed door signs and wreath decorations communicate welcome. Walking a 15’ hall covered in industrial carpet removes loose dirt. Doormats come in a range of sizes; new rules would need to specify exact dimensions and need separate enforcement to ensure ADA accessibility, that they don’t overlap, etc.
 - **Slippers of owners and renters pro:** keeps mess outside if they like barefoot inside
 - **Slippers of owners and renters con:** The hall becomes the permanent storage area for clutter and can impede neighbors movement and limit cleaning by staff.
 - **Slippers of short term guests or party visitors pro:** they are removed to show respect for host’s home, and are temporary.
 - **Slippers of short term guests or party visitors con:** temporary mess and larger stumbling block for passing through hallway.
-

WAVECREST RESORT

Enforcement

- Words like “not too many” “some” are vague descriptors and should not be used.
- If a number is selected for allowable slippers, is it based on a 6 occupant unit or some lesser number? Or would it be linear feet of usable space, or percentage of hallway length? Are shoes, boots and flip flops equal?
- Whether enforcement is continual, announced and scheduled, ADA or accessibility based, or only complaint based, enforcement should be possible and be stated in unambiguous wording to all expected to comply.
- The current rule values Wavecrest as a Resort, not as someone’s private home, or a local apartment complex. How do renters perceive Wavecrest Resort if halls to their units are used as slipper storage when they arrive?
- House Rules should conform to the Bylaws, not contradict them. Slippers and doormats are “objects of any kind”.
- Changing the Bylaws requires a much higher bar than a Board vote.

Cleaning of Halls

- Weekly vacuuming of halls is simple and fast when there are no impediments. If slippers or doormats are allowed would employees need to physically move them to clean under them? Would they only vacuum the entry to each hall?

Liability Issues

If any person is injured tripping over footwear or mats in a common area of Wavecrest, does Wavecrest bear any potential financial liability by allowing them to be there?

- Hall dimensions are typically 3 feet wide and 15 feet long. Toe-to-wall slippers/shoes on each side leave a clear walking path of only 16 inches +/- wide in the center.

Possible Action/Solutions

- No action or change in the rule.
 - Change to include an exemption for hosting short term social gatherings. Add a modifying sentence such as, “Guests to a unit for a social purpose may leave slippers in the hallways only while visiting.”
 - Remove the rule altogether, and rely on only enforcing the Bylaw version if absolutely necessary. The downside of this is that renters are not given Bylaws, and would not be expected to know. Owners would need to warn renters or be responsible.
 - With the current rule in place, evaluate enforcement options such as:
 1. strict enforcement on an unannounced basis
 2. complaint based enforcement only
 3. announced or scheduled enforcement
 4. aloha warning only with no fine structure for any enforcement
-