



# Wavecrest

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

## NOTICE OF MEETING

**Date:** Friday, June 7, 2019

**Time:** 9:00 a.m. HST

**Place:** 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 March 12, 2019

President, Treasurer, Secretary, and Manager's Reports

**Old Business**

Sub-Metering: There has been no change in the data to suggest any further review is needed.

Professional Reserve Study Update – Jack

**New Business**

Homeowner Insurance: notification of cancellation requirements - Jack

Written Fee Agreements and Flat Fee Charges - Jack

Study of long term solutions for occasional plumbing leaks - Jerry

**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.....*

**DATE OF NOTICE**  
**Friday, May 24, 2019**

Respectfully Submitted by  
Roger Tinsman, Secretary



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

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# Board Meeting Minutes for March 12, 2019

Jack Thornton, President, called the meeting to order at 9:02 am HST

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

Owner attendees: Sandra & Richard Leigh A-105, Linda and Ken Bergstrom C-113, Bruce Roessler B-208, Jerry Gillen C-207 & 306, Meredith Johnson C-313 & A-206, Roberta Paris A-207, Suzanne O'Connell B-110, Steven Hurley A-113, Mike Nicholls A-116, Amanda Ballou A-211, Kris Chernik C-113, Richard & Debbie Davis C-114, Calvin & Marcel Rolan C-212 & C-208, Jim and Ingrid Kindsvater A-215, and Ted Johns B-201  
Teleconference attendees: Georgie Olson A-103, John Scriver A-308, and Randy Carpenter A-301.

John Morris the association attorney was also present.

Proof of notice of meeting given.

Request for corrections or changes to December 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.

Cabana Committee Report was included in the document and commented upon by Roger.

## Old Business:

Sub Metering Report: Jack reported that the office has a document regarding the need to sign up again for auto-pay accounts, due to a company name change. It will be available at the office and be sent to owners. Owners of multiple units must re-register each separately, as there is no automatic cross over. We currently have only 11 units that are 90 days in arrears. The WiFi receivers for sub metering were dropping signals because they were not set to original schematics of 3 per hallway. They are being relocated and an additional receiver is being added to each hall. Wiring will be concealed. Sub meters were recording activity even if connectivity was temporarily lost.

Professional Reserve Study: Jack is sending out bid requests after this meeting to a list of companies. Results will be presented at the June meeting.

House Rules / slippers in common hall space: Report is attached. Roger Tinsman researched this issue with input by owners, and presented options to the Board for action.

Hallway Update: Jack reported that Ted is still researching the best and most cost effective elements to use in converting the hallway lighting fixtures to LED with motion sensor use. More details will come.

## New Business:

Written fee agreements and flat fee charges: - Multiple issues were covered. 1. If employees need to turn off water to a stack because of an owner's leak, there will be a \$50 fee to the responsible owner. 2. Since \$1,000 to \$500 per month of employee time is being spent helping

renters who have not been given adequate information by owners, (I can't get into my unit, do you have a key?) the existing \$50 fee will be enforced. 3. Any outside contractor or worker providing \$1,000 of service to an owner (materials included) must provide the office with current proof of insurance before being admitted to the property (whether a permit for the work is required or not). 4. Fees and fines for parking permit rule violations will be levied.

Senate Bill 2351 governing employment applications compliance will be adopted per new law.

Termination of Utilities and Services to Delinquent Owners - A 2009 adopted resolution was reviewed which allows termination of services, utilities, and access to the property by owners delinquent in dues and fees. (Currently 4 owners populate this category)

Sub-Meter Tampering - Each unit is monitored on an hourly basis. If a contractor needs to turn off the breaker for permitted work, the office must be notified in advance and power must be turned back on in the same day. John Coffee moved, and Gerry Johnson seconded the following:

"The Association may assess an owner a fine of \$100 per incident, plus \$10 per day of ongoing infraction, for shutting off the sub-meter breaker. In addition the Association may investigate the event, and assess the offending owner for the calculable power used while the sub-meter was off." The Board voted and approved unanimously.

Attorney John Morris reviewed Greening of Hawaii Law 514b section 42 which gives the Board the authority to institute sub metering without further input from owners, as long as the installation of the meters is paid as a common expense.

Slippers in hallway vote: After Board discussion, there was no vote to change to the existing policy. Chronic abusers, and those receiving complaints will be warned and may be fined, but employees are not slipper police.

### **Open Session:**

Georgiana Olson asked what the dollar amount of the reserve fund is currently. Martha answered over \$500,000 which represents 60% funded. No projects are scheduled this year. Revisions may arise after the professional study is completed.

Mike Nicholls asked if we are still using Roberts Rules of Order for meetings. He feels that discussion of each topic as it is covered (within strict time limits) would make comments clearer because of context. Jack said that Owners Forum meets the obligation of owner input.

1. Noise mediation for downspouts in Manager's report: inexpensive plastic chain run down downspouts allows water to follow the chain and eliminate loud dripping sounds.
2. Coconut trees are 6 fewer than when the last Arborist Report was made. These need to be replaced to maintain Wavecrest's appeal. Wavecrest used to grow its own starters.
3. Insurance costs should be entered on the budget as one time payouts instead of spreading the insurance costs over the calendar year, the way Hawaiiiana currently does it.
4. The Board needs to take into consideration health and safety concerns for any unit where services like electricity are cut. Items under refrigeration will need to be removed, etc.
5. Auto pay on our sub-metering concerns: 1. there is a fee for credit card use 2. there is a fee for direct withdrawal from checking accounts, it seems like the AOA should negotiate more owner friendly terms than these.
6. How can owners see day by day electric usage? Ask Neil Strock.
7. He wants every owner to pay their fair share, but how are rates determined? The Board says it is transparent, but owners find it hard to see. All components of the rate structure should be available to owners so they can follow how it is developed. We should have a

blended rate structure combining our 32% solar rate with the MECO rate of 42¢. That would bring owners rate down to perhaps 37¢ per kWh. Molokai Shores bills in house using Neighborhood Power's figures using a blended rate, and it seems to work well. Jack replied that MECO set rates when the buildings were brought on line, and are different for the two properties.

Dan Reed C105- Asked if information on the website could be password protected to owners only? He lost a sale because of alarming information regarding leaks. Jack said that that is the plan and goal. Dan also asked that he be informed regarding any service animal rule changes, since his wife has the only service animal registered with the office. Jack explained that the new law focuses on accurate documentation of service and comfort animals, and we are just trying to keep current with Hawaii law.

Ken Bergstrom C113- Asked if there aren't more pressing issues than installing new lights and motion sensors in the hallways, since they are already fluorescent low wattage lamps? Jack answered that it is one of many ongoing projects, not the highest priority. Ted is following the law for employee safety in their work. Ken asked again to have a copy of the Sub Metering Report paid for by Wavecrest. John Morris responded that there are still remaining some contract issues that the Board needs to resolve. If release were to undermine the Board's position with a contractor, it may still be held confidential.

Jerry Gillian asked who gets credit for the Solar generated? Martha answered that the AOA gets the credit toward common area use. It was suggested that a cheat sheet should be developed by Martha and others about the rates and distributed to owners.

Amanda Ballou asked if an EV charging station is being considered for the property? Martha replied that it would not be equitable to charge all for a thing few use. Mike Nichols explained that there are grants available from MECO to buy and install them (level 2 system for apartments) with metered system so only the user is charged. Jack added that the new Office Administrator has experience writing successful grant proposals.

Dan Reed C105- Renters told him they had never seen such a beautiful place as Wavecrest! Kudos to Ted and team.

There being no further comments, Martha Strock moved and John Coffey seconded the Board adjourn to Executive Session. Passed unanimously at 10:45 HST.

Executive Session convened at 11:03 HST

Executive Session closed at 11:19 HST

Open session closed at 11:20 pm

Respectfully submitted by Roger Tinsman, Secretary

President's Report

June 7, 2019

Aloha all,

Your board has been working diligently on ongoing projects at Wavecrest that benefit everyone greatly.

- Parking permits  
Be sure to display your permit in your vehicle in a conspicuous place. This helps us keep track of owners and guests on property as required by law. Please contact the office for further information.
- HO6 insurance  
The office is offering to set up a HO6 owner insurance "notification of cancellation" service for your convenience that is available to owners in order to meet requirements to have proof of insurance on file in the office. No cost to owners. See Zaida for details.
- Sub Metering  
Wavecrest will adhere to Hawaii Revised Statutes, MECO Utility Rates, and Wavecrest Bylaws in determining the actual amount of HOA dues offset. These figures and amounts will also be reviewed for accuracy for the 2019 fall budget Board Meeting. I will briefly address my research concerning the Service Fees charged by Ikehu. Neil Strock continues to be instrumental in the development and execution of the sub metering project. We are all indebted to his dedication and hard work.

Please hold all owner comments until Open Session: Owner Comments. Owner comments are limited to 3 minutes each.

As always, the board accepts written input, as well as polite civil 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.

I would like to give a special thank you to Zaida for her diligence and hard work as our new office administrator.

Best regards,

Jack Thornton

**Wavcrest AOAO  
Treasurer's Report**

	Actual 2019 April	Budget 2019	Actual 2018 April	Percent Change April/April	YTD Actual	2019 Budget
<b>Revenue</b>	<b>103439.4</b>	<b>83164.98</b>	<b>95599.02</b>	<b>8.2%</b>	<b>398521.61</b>	<b>332659.92</b>
<b>Expenses</b>						
Utilities	24528.99	18188.66	21046.71	16.5%	68967.08	72754.64
Professional Services	6789.15	3829.65	3997.77	69.8%	20500.65	17718.6
Bldg Maintenance	5496.5	8833.3	9929.45	-44.6%	21461.34	35333.2
Payroll & Benefits	22572.69	28219.73	20506.7	10.1%	94303.03	121878.92
Other expenses:						
Insurance Master Policy	17227.69	7365.01	19949.32	-13.6%	68910.76	29460.04
Insurance Flood	0	0	0		1020	0
Insurance - Auto	0	750	743	-100.0%	0	750
Insurance - Claims	47276.93	0	30504.62	55.0%	62388.42	0
Meeting Expense	229.49	1500	417.8	10.1%	2118.82	1500
Miscellaneous Expense	952.03	125	157.9	502.9%	1126.02	500
Maintenance Fee Expense	2260	3333.33	3025	-25.3%	10170	13333.32
AOAO Wavcrest Rental Expense	240	0	0		420	0
AOAO Office Expense	565	605	605	-6.6%	2260	2420
Unreconciled Debit Card Items	150.83	0	0		1123.09	0
Real Property Tax	0	99	0		875.22	396
State General Excise Tax	545.08	190	923.58	-16.6%	1156.92	760
State Income Tax	-102.58	0	0		-102.58	
<b>Total Operating Expenses</b>	<b>128731.8</b>	<b>73158.68</b>	<b>108806.85</b>	<b>18.3%</b>	<b>356698.77</b>	<b>298784.72</b>
<b>Operating Surplus/Deficit</b>	<b>-25292.4</b>	<b>10006.3</b>	<b>-13207.83</b>	<b>91.5%</b>	<b>41822.84</b>	<b>33875.2</b>
<b>Capital Improvements</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Total Cash Disbursements</b>	<b>128731.8</b>	<b>73158.68</b>	<b>108806.85</b>	<b>18.3%</b>	<b>356698.77</b>	<b>298784.72</b>
<b>Cash and Investment Balance</b>						
Operations	60,427		65266.14	-7.4%		
Reserves	513,297		347,686.58	47.6%		
<b>Total Association Cash</b>	<b>573,723.28</b>		<b>412,952.72</b>	<b>38.9%</b>		
<b>Delinquencies - Active Owners</b>						
Maintenance Fees	88670.01		78,819	12.5%		
Legal Fees	2032.76		1,384	46.9%		
Late Fees	15495.69		15,146	2.3%		
Interest Charges	32248.33		18,454	74.7%		
Other Taxable Receipts	103.59		305	-66.0%		
Fines	10631.23		0			

Rental Income-Locker Storage	0	45.36	-100.0%
Unit Svcs and Repairs	205.09	85	141.3%
Lien Processing Fee	50	50	0.0%
Return Fee	0	0	
<b>Total</b>	<b>149436.7</b>	<b>114287.51</b>	<b>30.8%</b>
<b>Delinquencies - Inactive Owners</b>	<b>208181.22 on 15 inactive</b>	<b>202,571</b>	<b>2.8%</b>



# Secretary's Report

Wavecrest Resort Board of Directors  
June 7, 2019 AOA meeting

On March 15, 2019 an owner sent a letter of inquiry regarding an ongoing insurance damage claim against Wavecrest stemming from a fresh water leak in C building.

On March 20, 2019 an owner sent a follow up letter to comments that owner had voiced in the March meeting regarding the sub-metering roll out and billing costs, as well as the cost of attorneys or parliamentarians the Board requests to attend recent annual meetings.

On March 30, 2019 an owner sent a letter to ask if any action or vote had been taken at the March meeting to authorize flight reimbursement to Board Meetings for any meeting attendance.

On April 20, 2019 an owner sent a letter as a follow up to a previous letter asking for a further reduction in HOA fees as a corrective counterbalance to the shifting of electric costs to owners, since their ongoing costs were higher than the dues reduction.

Respectfully submitted,

Roger Tinsman  
Board Secretary

Prepared June 2, 2019

Manager's Report : C.Ted Johns

Date: March 12 - June 7, 2019

**COMPLETED PROJECTS:**

K&M Tancayo Services / April 25, 2019: Repair grounds' Back-pack blower.

Pacific Electro-Mechanical / May 13, 2019: Replaced failed circuit breaker for pool underwater light.

**PROJECTS COMPLETED IN-HOUSE:**

Physical repairs then treat rust and paint rain gutters.

Replace rotted building post C building.

Repaint Wavecrest entrance sign.

Treat rusted gas pipe B building.

Bull nose edging on stairs secured where loose.

Addition and repositioning of transmitters for improved sub-meter data retrieving via Wi-Fi.

Seventeen (17) Homeowner maintenance requests addressed or completed.

Nine (9) Wavecrest Owner's billed for in-house service for a total of \$ 864.57 paid to Wavecrest( Hawaiiana).

Landscape lighting added as needed to improve walking safety at night.

Touchup painting aimed at rusted hardware and sun damage.

More defunct cables removed in buildings.

Staff golf carts frequently break down. Paul can repair.

Office apartment improvements completed, mostly cosmetic. New bathroom faucet and replaced shower control valve cartridge. New renter moves in June 1, 2019

New computer, with more memory, and larger monitor installed for office administrator.

Warning stickers placed in circuit breaker panels, stating not to turn off sub-meter circuit breaker, identified with sticker, that power is being monitored. The sub-meter circuit is dedicated, only supplies power to the sub-meter. Wavecrest Office needs to be notified ,in advance, if breaker is turned off. Minimum fine of \$ 100.00 plus \$ 10.00 for each day breaker is off.

Efforts initiated to be more proactive in risk management:

1. Individual safety glasses issued to each employee.
2. Individual rubber boots issued to each employee.
3. Continuously inspect property for obvious risk factors.

#### **OTHER:**

5/7/19 Lanai and common area inspection performed. Twenty-two violations issued. Most violations were minor in detail. Good response from owners and renters in correcting violations.

All non-judicial foreclosed units ( C 102, B203) in Wavecrest's control currently rented. Manager's unit ( B 210) also rented. Office apartment rented by Office Administrator.

#### **ONGOING PROJECTS:**

Maintenance turns off any hallway lights left on overnight at 7:45-8:00 AM.

Grounds repair and replace irrigation components as needed.

Systems equipment additions to improve complimentary Wi-fi performance with the goal to reduce costs.

Estimate from Maui Paving for overlay of parking lot with 1.5" of asphalt cement. \$ 203,695.70. Estimator recommends not to remove existing asphalt.

#### **POOL:**

Water balance good. Clarity very good to excellent.

Pool auto- vacuum reconditioned.

4/16 Sand in filter changed

#### **WASTEWATER:**

General operational tips for our wastewater treatment plant:

Detergents- Use of liquid detergent is recommended. Most powdered laundry detergents contain sodium perborate, which releases boron as it breaks down. Boron kills our "good" bacteria and damages our treatment plant. Never use more than the manufacturer's recommended amount of detergent. If excessive sudsing or foaming occurs, reduce the recommended amount by ½.

Bleach: Never use Chlorine bleach.

Grease, cooking oils and cooking fats should never be placed down the drain.

Never flush rags, paper towels, paper of any kind, or feminine articles into the system.

Never use caustic drain cleaners( such as Drano ) or toilet bowl cleaners that contain bleach ( such as 2000 Flushes )

Work in lift tank to be scheduled in future, will require water main to be turned off.

Hallway Lighting Project  
( Manager's submission )

5/21/19

The hallway lighting project has developed a problem. The maintenance staff does not want to be exposed to the asbestos fibers in the " popcorn" ceiling in the hallway by changing the light fixtures.

Staff has made statements; " I don't want to take asbestos fibers home to my son."

Personal Protection Equipment( PPE) that could be utilized:

- asbestos protective coveralls
- head covering if not part of coveralls
- gloves
- protective eyewear
- shoe covers
- floor and wall covering and tape.
- isolating trash bags
- water spray bottles
- respirators

Notwithstanding, changing the existing manual light switches to motion sensor switches, which the staff will perform, still has long term cost saving potential.

Formula for calculating cost of hallway lights on all night:

3-watt bulbs in two fixtures ( 0.006 kWh ) burn 0.084 kWh in fourteen hours.( 6 PM-8 AM ) Maintenance staff turns off hallway lights first thing in morning.

$0.084 \text{ kWh} \times \$ 0.348 / \text{kWh} \text{ ( average cost of electricity = } \$ 0.44 \text{ MECO}^* + \$ 0.256 \text{ NPC}^* / 2 = \$ 0.348 ) = \$ .0292 / \text{day per hallway. ( rounded to } \$ .03 \text{ )}$

Hallway lights on x \$ 2.93 / day = Daily cost x 221 days\*\* = Yearly cost

2	\$ .06	\$ 13.26
4	\$ .12	\$ 26.52
6	\$ .18	\$ 39.78
8	\$ .24	\$ 53.04

Estimated Project cost = \$ 4,375.00 ( Labor and Materials)

Average number of hallway lights left on in the last three weeks has been two.

Thus, the project, on average, would take 330 years to pay for itself.

\*MECO- Maui Electric Company and NPC-Neighborhood Power Company( Solar)

\*\* Security turns off hallway lights on weekends at end of shift.( 365-144=221 days)

Revised 6/7/19

Register a new device Groups

Avg Watts Total kWh



Checks in approximately every hour. Last seen: May 30, 2019, 12:05 PM MDT

Hours Ago	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Today	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×
Yesterday	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	✓	✓
3 Days Ago	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4 Days Ago	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5 Days Ago	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Showing 1 to 85

Job

Wavecrest - Office

Wavecrest BLDG C- [redacted]

eGauge [redacted]

×

59.2%

✓

Wavecrest BLDG A- [redacted]

eGauge [redacted]

×

95.0%

✓

Wavecrest BLDG C- [redacted]

eGauge [redacted]

×

95.0%

✓

Total E  
Last Wee  
Gen Use

16.8	0.0
0.0	3.1
9.2	0.0
0.0	1.3
3.4	0.0
0.0	1.0
2.7	0.0