

Board Meeting Minutes for June 7, 2019

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

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

Owner attendees: Steven Hurley A-113, Patric and Lynda Collins A-309, Dorothy and Lynn Donaldson A-305 & A-214, Ted Johns B-201, Jerry & Carol Gillen C-207 & 306, Calvin & Marcel Rolan C-212 & C-208, Frank Doemer as proxy for Bob McCann C-103, Cathy and Richard Felkins C-216, Dan Reed C-105, Dallas and Julie Jacobs C -104, Rocky Taylor C-106
On Conference call: Meredith Johnson C-313 & A-206 and Neil Strock A-101 & B-102

Proof of notice of meeting given.

Request for corrections or changes to March meeting minutes. Two noted, plus one clarification of wording. Martha moved to approve minutes with corrections, John Coffey second, vote passed unanimously. Corrected minutes have been posted to the website.

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 data usage is being consistently reported and collected, and there is no cause for review currently. This data will be compiled and reviewed again for the September budget meeting. Martha explained her process of reviewing the electrical usage reported by Ikehu Utility Solutions (Multifamily Utility). Jerry moved to change the \$40 reduction in HOA fees to \$52 based on figures he had provided the Board. Jack called point of order, stating that he could not make a motion to change the given and accepted calculations that the Treasurer has already provided. Jerry reminded the Board that in the October 2018 meeting there was a motion passed to review the figures and to make adjustments if warranted in 2019 open session meetings. John Coffey spoke, Jerry gave further details, and Martha replied that the credit is an averaged amount, because actual usage varies depending on the seasonal occupancy of the buildings. Michael stated that the Board should continue to review and debate these rates, but should not make a change mid-season and rather evaluate 2019 actual numbers when preparing 2020 budget in September. Jerry asked to have documented his disapproval of the \$40 amount of reduction. Further discussion referred to Executive Session.

Jack addressed Molokai Shores' in-house alleged "free" billing, raised to question from an owner letter. Molokai Shores in fact adds a fee of \$18 folded into each MS unit's billing, but not listed as a line item. The President of MS Board has verified this. We pay roughly 1/3 less than that for our billing collection.

Professional Reserve Study: Jack is receiving cost documentation from Zaida, and will be using that to qualify companies to bid. A list of candidate companies was provided by Hawaiiana and others. Selection results will be presented at a future meeting.

New Business:

Homeowners insurance notification of cancellation is required to ensure that owners are not billed for insurance from Wavecrest. Please submit your completed form to the front office.

Written fee agreements and flat fee charges discussed at the last meeting were instituted. If further information is needed please ask the front office.

Jerry reviewed reports he submitted regarding long term options to address plumbing failures. One report addresses the copper fresh water pipes, and the other addressed the waste water piping. Plumbing runs vertically through each unit between the kitchen and bathroom walls. (To serve 3 floors of units on top of each other, alternatively referred to as "stack", or "stick"). For fresh water leaks there are options of replacement with new copper pipe, PEX flexible repiping, or repair with epoxy linings. For waste lines, replacement with new cast iron or PVC pipes are options.

Ted commented that waste leakage is the most frequent occurrence, especially in T/Y couplings, but fresh water leaks can end up costing more due to the fact that they run slow and undiscovered for a longer period of time. At some point in the future it is probably inevitable that each building will need to be re-piped.

Jack stated that typical repiping of a unit in Hawaii can cost \$20 - \$40 thousand per unit. But means of potential Wavecrest financing are being explored to mitigate large assessments. This is the number one item that will be addressed by our Reserve Study, and the company selected will need to ensure us that they will give it personal attention.

There are currently funds in the existing budget to begin stockpiling supplies that may be needed for emergency repairs.

Open Session:

Rocky Taylor (C-106) Piping is a known issue, but what he sees in the attic are patches not repairs. Copper does not wear out, but if dissimilar metals are used in patching it can cause pitting and ultimately failure. It is important to institute a program to address how we move forward. Red lining drawings is one step to know where problem/repared areas are. Jack stated that a detailed plan with projected expenses will be presented by the selected Reserve Study company. It will be their #1 priority. Rocky later volunteered to lend his expertise as a Piping Journeyman to help Wavecrest management with plumbing maintenance scheduling, removal of dissimilar metals, etc.

Julie Jacobs (C-104) - When will the Reserve Study be complete and results available? (As soon as possible. - Jack) She further asked for guidelines for remodeling...if walls are opened what should an owner do? (Ask Ted to inspect, and if needs are seen Wavecrest can address them at that time. - Jack) Ted reminded all present that plans of changes must be submitted to the office in advance of work, and Wavecrest will inspect work in process, and has the right to stop work if it is not being done to code.

Dallas Jacobs (C-104) - Dallas asked permission and volunteered to review the report on plumbing before it is approved. He is a Civil Engineer, and would like to offer his expertise. (Accepted. - Jack)

Dan Reed (C-105) - Thanked Jerry for his reports and asked if Jerry's numbers and Martha's numbers are, or will be, available to homeowners for comparison. Martha's were previously

released last October, and Jerry's are available from him. (Numbers will be reviewed in Executive Session to ensure that there are no potential legal issues to releasing Jerry's work. - Jack)

Jack offered a reminder that Wavecrest staff can provide and install pipe access panels under a unit's sink for water shut off valves. Please see Ted for details.

Richard and Cathy Felkins (C-116), Dan Reed (C-105), Frank Domer (proxy with questions in writing from owner Bob McCann C-103) Dallas Jacobs (C-105), Marcel Roland all discussed the new letter to owners dated May 31st emphasizing existing parking rules, restrictions and enforcement of fines for violations. A common theme was the need for clarity on 'one vehicle per unit', vehicles being assigned to a unit and using a parking pass, renters not using passes, etc. Owners were encouraged to send specific questions in writing to the Board. Further study will be done as well as discussion in Executive Session. (Some vehicles have been banned from the premises for lack of current registration and insurance. Others with outdated registration are being addressed. - Jack). A copy of the letter is attached to meeting reports.

Dan Reed (C-105) - Recent renters told him they had never seen such a beautiful place as Wavecrest! Kudos to Ted and team. (Applause ensued)

Jerry Gillen C-207 & 306 - Asked if there is any policy by Wavecrest on generator use during blackouts, and if there is current consideration of Wavecrest having a backup generator for power losses. Short discussion of battery backup units ensued.

Cathy Felkins (C-116) Asked permission to convene a committee of volunteers to explore again the potential of heating the pool, and report back to the Board with concrete figures at the September board meeting. Richard, Neil and Jerry volunteered. Research committee verbally approved, and referred to previous reports from 2017.

Julie Jacobs (C-104) asked if she could host a free session in the Cabana for owners with a guest speaker from Hospice to inform of their on-island offerings. (General agreement) She also addressed frustration with the existing limitations of kayak storage and her opinion (echoed by others) that the fees are too low. She finally asked about ADA accessibility to the pool. Ted said he would review.

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 by teleconference at 11:07 am HST
Executive Session closed at 1:13 pm HST and open session closed immediately after.

Note: An additional Executive Session was called by Jack and Martha, and a teleconference was held from 10:35 am HST until 11:53 am HST on June 6, 2019. No action or votes were taken.

Respectfully submitted by Roger Tinsman, Secretary