



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

NOTICE OF MEETING

Date: Friday, December 6, 2019
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/Approval of Minutes and Reports -

Regular Meeting Minutes of September 27, 2019
President, Treasurer, Secretary, and Manager's Reports

Old Business

Professional Reserve Study Update – Jack Thornton
WiFi Bandwidth Usage – Jack Thornton

New Business

Lift Tank Pumps - Ted Johns

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, November 22, 2019

Respectfully submitted by:
Jack Thornton, President



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

Friday, December 06, 2019 @ 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 September 27, 2019
President, Treasurer, Secretary, and Manager's Reports

Old Business

Professional Reserve Study Update – Jack Thornton
Wi-Fi Bandwidth Usage – Jack Thornton

New Business

Lift Tank Pumps – Ted Johns

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 for September 27, 2019

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

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

Owner attendees: Steven Hurley A-113, Barbara Clarke A-303, Dorothy Donaldson A-305 & A-214, Neil Strock A-101 & B-102, Meredith Johnson C-313 & A-206, Claire McCann A-109, Frank Doerner as proxy for Bob McCann C-103, Richard Felkins C-216, Judith and Daniel Burkett B-101, Dallas and Julie Jacobs C -104, Dayna Harris A-109, Rocky Taylor C-106, Suzanne O'Connell B-110,
On Conference call: Brenda Murray A-107.

Proof of notice of meeting given. New Owners Richard and Theresa Stock C-214 were allowed to attend as observers, because their new unit is closing escrow soon.

Request for corrections or changes to June meeting minutes. None noted. Martha moved to approve minutes, Gerry seconded, vote passed unanimously.
Jack read the President's Report. Reports attached.
Roger read the Secretary's Report. Report attached.
Zaida Place (Office Manager) read highlights of the Manager's Report. Report attached.
Martha highlighted details of the Treasurer's Report, with acknowledgement of 2020 Budget discussion to come later in meeting. Report and budget attached.

Old Business:

Professional Reserve Study: Jack announced Association Reserves, Inc. (<https://www.reservestudy.com>) has been selected to perform the professional reserve study for Wavecrest. The estimated cost will be \$5,920. The timeline is expedited.

New Business:

Ted Johns wrote a report entitled "Caring For Our Wastewater Treatment System" (attached) that was reviewed. An object similar to a mop head caused a serious obstruction in one of our lift pumps. Owners are reminded to promote an attitude of care to renters in this. Only what we ingest, and mild soap should enter our sewer system. Future incidents can result in high costs and permanent damage.

The draft budget (attached) was presented by Martha, with no increase of HOA dues at this time. Mike moved to approve and adopt the draft budget, with the Board retaining authority to act on it at a future meeting if warranted. Roger seconded. Budget passed 4 to 2, with Mike, Roger, John, and Gerry voting yes, Jack and Martha voting no.

Open Session: 9:45 HST

Gerry Johnson (C-313 & A-206) submitted a letter of resignation to the Board. Letter attached.

Dallas Jacobs (C-104) - discussed the need to use no-phosphate, no bleach Dishwasher detergent. Please read labels carefully when making your buying decisions.

Dan Burkett B-101 stated that the budget presentation did not allow for owner feedback and the placement of owner comments at the end does not allow for questions.

Richard Felkins C-116, presented a written document (attached) outlining the general costs plus features and benefits of heating the pool. Copies were distributed to the Board. He requested that the Board explore a questionnaire to send all owners gauging their interest based on the information.

Dayna Harris A-109 submitted a letter asking for reimbursement due to a small leak.

Rocky Taylor C-106 spoke to the aging piping, explaining that addressing it completely is a process, not a one time event. Rocky, whose career as a Piping Journeyman, offered to help Wavecrest management, and the Reserve Study formulators too.

There being no further comments, Martha Strock moved and Roger Tinsman seconded the Board adjourn to Executive Session. Passed at 10:17 HST.

Executive Session convened in person and by teleconference at 10:38 am HST
Executive Session closed at 11:19 am HST and open session closed immediately thereafter.

Note: An Emergency Executive Session was called by Jack on September 30 for the same day at 4:30 pm HST it ended at 5:15 pm HST. No action or votes were taken.

Respectfully submitted by Roger Tinsman, Secretary

President's Report
December 2019

Aloha all,

There have been relatively few changes since the last meeting and several items are drawing to conclusion.

Ted has returned from his medical leave and reports that he is feeling fine. We are all very thankful for this.

Association Reserves is scheduled to arrive on site in January as part of their contract to complete the reserve study. The goal is to have a video presentation and report completed in time for the March board meeting.

Wavecrest received the "High Dividend" check from our insurer in the amount of \$417.60 on our workers comp insurance policy. This is for being a specialty customer for our low loss ratio. Congratulations Wavecrest Employees!

Roger informed the board on November 13, 2019, effective immediately, that his future living plans require a move away from Wavecrest and his upcoming travel plans will keep him from fulfilling his current board responsibilities, and as such, he submitted his resignation from the board in writing. Please join me in thanking Roger for his time and effort on the board. Best of luck on your new endeavors.

Candidates for board positions are being sought. If you have an interest in serving the Wavecrest community, please submit your interest in writing to Zaida in the office. Alternately, you may contact me directly, through Zaida, if you have any questions first.

There was an owner request for information concerning the recent addition of \$1.00 to the Ikehu monthly service charge. It is not an Ikehu billing increase. As a reminder, this is for additional warranty coverage. The reason it didn't appear earlier is because it was a cost savings opportunity as we were operating on the existing warranty coverage up until now. This \$1.00 gives Wavecrest \$3,500 of coverage per year and allows us to merge two years together for a total of \$7,000, if needed, into a single year. We also have the option to increase our coverage to \$10,000 per year at any time, for an additional \$1.00 per month. As presented previously by me, the first yearly billing increase is calculated at 2.5%, or CPI if higher, of \$5.00 (approx. \$0.12/month). It doesn't take effect until some time during the first quarter of 2020.

I directed Ted to build six additional Kayak storage racks on the exterior rear wall of the cabana. I am discussing renting three of these spaces to a local kayak rental company for exclusive use by the kayak rental company and registered Wavecrest guests. NO public access. This will enhance Wavecrest rental guest's experiences and offer owner rentals one of the most requested services. This will bring in an additional \$2,160 per year at current rental fees.

NPC received an additional progress payment of approximately \$12,000, minus final work estimates and a 10% holdback. The office unit is being metered as required under our contract with NPC. NPC is also updating and correcting some previous system work related to the solar panel project. The circuits in the office unit are being separated from the rest of the building electrical system so the unit can be accurately metered separately. Also, Maui County is requiring the office building exterior electrical main and splitter boxes be

replaced. This service capacity will be increased to the allowable MECO limits. The WWTP is getting some needed electrical repair as well.

Several years ago, I started looking at some sort of weather station accessible to owners. With a push from a couple of owners and the recent weather alerts, I found that several recommendations were for the exact unit I found. It is a solar powered, wireless Wi-Fi, remote monitoring station. It also monitors solar radiation and UV. It will most likely be mounted in the cabana area. Ted will set it up as time allows.

Free Wi-Fi usage is being abused excessively by 4-6 specific accounts/units. TWO OCCUPANTS IN THE A BUILDING ARE USING A TERA BYTE EACH. THIS IS ONE MILLION MILLION BYTES, 10 to the 12th power.

This type of abusive usage is at such a level that it interferes with the needed bandwidth to conduct necessary operations of required systems at Wavecrest. We have three options.

1. The offending parties stop voluntarily [cheapest].
2. We purchase equipment to identify and/or control our Wi-Fi system users [most expensive].
3. We terminate the complementary Wi-Fi system at Wavecrest [middle of the road cost, we still need Wi-Fi to run association business and services].

Ultimately, the choice is owner behavior driven. Please help keep this complementary service available to all.

HO6 insurance requirement. The office is still 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.

Homeowners/agents are responsible for their guests, renters, etc., to be aware of all property rules. This includes **NO SMOKING [this is an immediate health compliance fine; no warnings are required]**, **UNAUTHORIZED PETS ON PREMISE**, cleaning services, parking permits, construction, behavior, quiet hours, and PROPER REGISTRATION AND CONTACT INFORMATION, UPON ARRIVAL, to name a few. By Hawaii Statute, Wavecrest employees cannot act in the capacity of a rental or real estate agent.

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

Best regards,
Jack Thornton

**Wavecrest AOAO
Treasurer's Report**

	Actual 2019 October	Budget 2019	Actual 2018 October	Percent Change October/October	YTD Actual	2019 Budget
Revenue	78961.78	83164.98	84252.85	-6.3%	897180.83	831649.8
Expenses						
Utilities	26522.81	18188.66	16074.08	65.0%	177064.64	181886.6
Professional Services	5291.6	3829.65	5254.37	0.7%	49647.89	40696.5
Bldg Maintenance	3498.53	8833.3	4796.25	-27.1%	51966.2	88333
Payroll & Benefits	25854.4	28219.73	21610.69	19.6%	236065.4	291197.3
Other expenses:						
Insurance Master Policy	0	7365.01	0		86138.49	73650.1
Insurance Flood	0	92388	41851.5		1020	92388
Insurance - Auto	0	0	0		0	750
Insurance - Claims	800	0	0		62433.81	0
Meeting Expense	0	1500	2965.78	-100.0%	2149.24	6000
Miscellaneous Expense	3267.29	125	273.77	1093.4%	1250	3431.44
Maintenance Fee Expense	2260	3333.33	3025	-25.3%	23730	33333.3
AOAO Wavecrest Rental Expense	0	0	0		2248.75	0
AOAO Office Expense	565	605	605	-6.6%	5650	6050
Unreconciled Debit Card Items	1947.27	0	0		2952.52	0
Condo Registration	0	120	0		1200	1200
Real Property Tax	0	99	0		1943.11	990
State General Excise Tax	935.4	190	622.8	-16.6%	2803.28	1900
State Income Tax	0	0	0		-102.58	0
Total Operating Expenses	70942.3	164796.68	97079.24	-26.9%	710432.19	819624.8
Operating Surplus/Deficit	8019.48	-81631.7	-12826.39	-162.5%	186748.64	12025
Capital Improvements	0		0		0	0
Total Cash Disbursements	70942.3	164796.68	97079.24	-26.9%	710432.19	819624.8
Cash and Investment Balance						
Operations	142,171		87850.22	61.8%		
Reserves	577,078		438,935.48	31.5%		
Total Association Cash	719,249.08		526,293.25	36.7%		
Delinquencies - Active Owners						
Maintenance Fees	102815.17		77,183	33.2%		
Legal Fees	3945.86		2,345	68.3%		
Late Fees	15795.69		15,326	3.1%		
Interest Charges	41296.93		24,687	67.3%		
Other Taxable Receipts	0					

Fines	0	12300	
Rental Income-Locker Storage	0	0	
Unit Svcs and Repairs	0	100	
Lien Processing Fee	0	50	
Return Fee	0	0	
Total	163853.65	131990.42	24.1%
Delinquencies - Inactive Owners	338456.27 on 15 inactive	206,466	63.9%

Secretary's Report

Wavecrest Resort Board of Directors
December 6, 2019 AOA Meeting

On November 25, 2019 an owner sent a letter requesting clarification on the increase of the "service charge" on Ikehū's billing statement in November and requested Board check into this matter.

The Board of Directors can be notified via E-Mail or USPS at:

E-Mail: wavecrest.office@gmail.com

Attention: Board of Directors

or

Wavecrest Resort
7148 Kamehameha V Hwy.
Kaunakakai, HI 96748
Attention: Board of Directors

Respectfully Submitted,

Jack Thornton
President

MANAGER'S REPORT

September 28, 2019 – December 6, 2019

Submitted by C.Ted Johns

COMPLETED PROJECTS:

11/13/19- Coconut trees trimmed

PROJECTS COMPLETED IN-HOUSE

Outdoor Kayak storage racks constructed on exterior of Cabana, north-east side. Six spaces available.

OTHER

Three noise violations issued. One smoking violation issued.

Four maintenance requests received.

12/9/19-All staff issued new uniform shirts.

ONGOING PROJECTS:

Weekly inspections of fresh water supply pipes in attic buildings.

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 Association's costs.

11/19/19-Contacted Darryl's Plumbing to schedule and complete any needed repairs.

Electrical projects-

- Replace severely rusted office meter box and splice can.
- Replace wastewater generator wiring conduit.

POOL:

8/7 Pool access code is- 2156

Water balance good. Clarity very good to excellent.

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 suds 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 dental floss, rags, paper towels, paper of any kind, or feminine hygiene products into the system. **THE ONLY THING FLUSHED DOWN THE TOILET IS MILD SOAP AND WHAT WE INJECT.**

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

Excessive food scraps should be disposed in trash not down the garbage disposal.

Inorganics seen in wastewater " in-flow" this period:

- cigarette butts
- oil sheen
- paint.

Hawaii State Board of Health inspection of our Wastewater Plant is scheduled for December, 11, 2019.