



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

**BOARD MEETING MINUTES for MARCH 17, 2020**

Jack Thornton, President, called the meeting to order at 9:10 a.m. HST.

**Board Members Present:** Jack Thornton (A207), Martha Strock (A101/B102) and Michael Peters (C213). Via teleconference, John Coffey.

**Homeowners Present:** Deborah Davis (C114), Ken & Linda Bergstrom (C113), Jeffrey Byrne (C110), Frank Doemer (C103 Rep.), Reynold Hokenson (B204), Neil & Martha Strock (A101/B102), Melvin Veit (B206), Tim & Pauline Perry (B109), Rockland Taylor (C106), Daniel Reed (C105), Bobbie Paris (A207), Dorothy Donaldson (A214/A305), Dagmar Hess (C111), Gerri Crook (C108), Curt Milner (C210), Jim & Ingrid Kindsvater (A215), Calvin & Marcelle Rolan (C212), Lisa Hansen (B302) and Norman Johnson (A212). Via teleconference, Darlene Johns (B201), Gaellen Quinn (C305), Gerald & Meredith Johnson (A206), Dallas & Julie Jacobs (C104), Teresa Freese (C310), Darick & Heidi Krause (B207), John Scriver (A110/A308) and Amanda Ballou (A211).

Proof of notice of meeting given.

Review of 09.27.2019 Board Meeting Minutes and Reports. Martha Strock moved to approve the 09.27.2019 minutes as is, John Coffey seconded. Vote passed unanimously.

President's report read by Jack Thornton. Report attached.  
Treasurer's report read by Martha Strock. Report attached.  
No Secretary report was submitted.  
Manager's report read by Zaida Place. Report attached.

President Jack Thornton added to manager's report regarding design details. Due to recent findings including a mis threaded gas pipe and leaking icemaker/dishwasher lines, Wavecrest will be inspecting all incoming major appliances to ensure that they are all properly installed. Also, regarding exposure to hazardous materials, proper safety equipment must be worn, and paint must not go down drains, paint brushes must be cleaned at designated water spicket near Bldg. C. to avoid any Fed/State violations. Cutting tiles must be done away from the buildings and painting must be done cautiously to be aware of airborne particulate matter, containment and abatement issues. He also shared that homeowner, Rockland Taylor, can provide plans for under sink clean-out assembly and how to do it upon request. Photos were shared and a pipe that was removed was shown to show condition of pipes found inside walls. Informed of recent heaters that went out and notified that a distributor was located who will provide a significant discount with a bulk purchase order of three or more. He also informed of the recently completed reserve study and asked that the Board accept Association Reserves submittal "product as completed" to allow for final payment. Discussion followed. Motion to accept Association Reserves submittal "product as completed" by Martha Strock, Michael Peters seconded. Vote passed unanimously. Information

previously addressed regarding Wi-Fi bandwidth was reiterated due to continuing misuse that is interfering with resort needed bandwidth. Discussed possible purchase of costly equipment to monitor/cut off access to free Wi-Fi service being provided for residents and guests.

#### **Open Session:**

**Calvin Rolan** (C212) requested an example of bandwidth overload? Jack stated “streaming.”

**Ken Bergstrom** (C113) mention concern of cabana carpet condition and requested that this item be taken cared of right away. He also discouraged kayak rentals.

**Michael Nicholls** (A116) requested that a new conference telephone system be considered as system being used was purchased back in 2008 and difficult to hear on both ends. He also asked if the recirculating pump was on in Bldg. A. as he is concerned that the current problem is causing too much water to be dumped into the WWTP. Also questioned President’s Report if there was a written purchasing policy regarding oversight. Jack Thornton explained process. Michael Nicholls questioned why nothing was done regarding charge back to homeowners regarding parking passes. Jack explained process. Michael Nicholls also explained that if the WWTP is in balance there should be no need for odor control. Concerned with reserve study as most homeowners and board members stated no need for increase to HOA dues. Looking at assessments, an increase is needed. Suggestion made for Board consideration to immediately increase of \$20.00 per month through 2021.

**Linda Bergstrom** (C113) wanted to thank Michael Nicholls. Also mentioned that there was a complaint on 12/28/19 regarding a small gathering, however, in February a wedding was approved for non-homeowners. Discussion followed. Also stated that the budget is out of whack.

Per Jack Thornton, the policy is if you submit a request and are interested you will must be willing to submit a deposit before request will be considered. If not willing to provide a deposit and security deposit, the event will more than likely not be approved.

**Greg Crook** (C108) requested the board to consider giving additional parking passes and charge homeowner. He noted that there are several occupants with two vehicles that are borrowing passes. Would like process to be legal. Jack stated that this issue has been brought up many times and a policy change is needed, and the board is looking to help alleviate this issue and will accept continued discussion as a two-thirds vote is required in order to change the By-Laws. Jack also requested a letter be sent to the Board Secretary.

**Dan Reed** (C105) requested to clear up issue regarding gatherings. Jack explained that the event was approved, however, the homeowner had to pay a \$250.00 deposit, pay for cost of security, notified that there would be no warnings – straight to violations/fines. Dan also requested that all cabana kayak storage keys be the same and that no personal locks should be allowed. Jack informed that there was a lot of misinformation. No kayaks were moved by anyone other than Wavecrest employees. Discussion followed.

**Frank Doemer** (C103) stated that one parking space is titled. If homeowner doesn’t have a vehicle, they should be able to allow another person to use it. Discussion followed. Attorney John Morris explained that parking spaces are a limited common element. Doesn’t state a particular parking space. Section IV of the DC&R’s state that each unit has one parking space. Will need to check if able to rent to someone else.

**Lori Hansen** (B302) suggested that two spaces for kayak storage would allow easy removal. Noted that there could be more room in there if they were stored properly and suggested a bunk-bed slide-in style for better organization. Jack Thornton agreed that there needs to be a better system, and referred to cost analysis to do it, manpower needed as this would be a larger project and other more critical projects came up. Suggested more oversight required. More discussion followed.

**Linda Bergstrom** (C113) and **Linda Broady** (C116) requested to resend reserve study.

**Ken Bergstrom** (C113) stated that liability opened up. Replacement carpet was added back in 2001. As board members, this is opening homeowner’s to liability due to tripping and it being thread bearing. Per Martha, this issue is on the reserve study. Ken stated that this should be moved up to priority.

**Frank Doemer** (C103) stated that rental fees are paid for right to space? It’s private property in storage? Wavecrest can do whatever it wants. Kayak is private property, space is Wavecrest property. When kayaks were moved around, there was no permission from homeowners. John Morris [attorney] agreed that no permission is

needed to move kayaks.

**Michael Nicholls** (A116) stated that it is use fee, not a rental fee. It is a use fee agreement between AOA. Wavecrest accept as a use fee or homeowner can store in their own unit. Also noted that back in 2009/2010, the cabana carpet did not need replacement. It is a simple matter to replace carpet. Spent \$750K in one year. Also requested that the board hold a special meeting to start banking money to preclude reserve account. \$20/month 2020 & \$20/month in 2021 to handle the immediate crisis.

**Gerald Johnson** (A206) mentioned that the budget was on budget in calendar year 2019. Over a \$120K was added to the budget and that a new assessment was not necessary. Jack stated that more input is needed.

**Darlene Johns** (B201) requested that the 2020 approved budget be sent to all homeowners.

**Frank Doemer** (C103) suggested that the kayak rental receipt be changed to usage fee.

**Lori Hanson** (B302) stated that she's curious regarding charge to power bill. Martha Strock stated that we still pay and Wavecrest gets reimbursed. Jack Thornton stated that if people had their power off, they did not pay any extra money.

**Linda Bergstrom** (C113) shared that there were car repairs in parking lot. Jack Thornton stated that jumping batteries/light work okay. No changing oil allowed. It's okay to change batteries or a flat tire.

**Frank Doemer** (C103) shared that the white pickup belongs to C309. It is not licensed, realized that he is in violation, however he is in the process of getting it sold and removed as soon as paperwork is received. Jack Thornton stated that this issue was given thirty days to comply with removal upon deadline.

**Ken Bergstrom** (C110) stated that the BBQ grills need work. Jack Thornton replied that Zaida is working on getting parts estimates at present.

**Daniel Reed** (C105) thanked Rocky, Dallas, the Grounds crew and Zaida for a job well done.

**Julie Jacobs** (C104) shared that she would like to volunteer to construct new garden area and if anyone is interested to work in the garden, let the office know. Jack Thornton explained that the expansion of the garden area was by Dallas & Julie Jacobs who purchased netting, etc. on their own and the area has taken a dramatic change. He suggested that anyone that wants to be involved contact Julie.

**Darlene Johns** (B201) stated that we should stick to the direction of board and harnessing their knowledge to know what's best for Wavecrest, particularly staff and board. IMUA.

**John Scriver** (A308) stated "order of importance." Echoed Mike Nicholls concerns regarding the reserve study, clearly in trouble, and needs to be addressed. Asked how to address water issues. Suggested looking into special resolution regarding space for parking and kayak storage. Noted Wi-Fi experts to design and use of tiki torches associated costs addressed eight years ago. Use on weekends. Heating pool? Noted that he does not understand use of pool sign-in sheet as not used in two-week period which he has been at cabana. Suggested that garbage bins need to be dumped more frequently during high season, create a renovation during low season policy. Also stated that parking permit replacement fee of \$50 is not justified. Jack Thornton explained cabana roof replacement did not include solar panels. Due to recent lawsuit at another condo association regarding reflecting panels on owner units, the project stopped. Will need to get cabana to code prior to get anything done. Jack also shared regarding the tiki torches, that they can be lit upon request, and kayak storage project not completed after review of previous reserve study due to decision not to spend money, and how to get reserves up with all facts. Martha Strock stated that the network was designed for free by an expert. They were installed 100" longer than allowed by code. Jack Thornton stated that credits were received from NPC due to services that weren't provided. Wavecrest to keep money and complete in-house.

A **homeowner** asked what was the amount spent on Reserve Study. Jack Thornton replied that it was roughly \$5,600.00 and right in line with other bids. They showed up and passed due diligence and also have a Hawaii office. They also provide free seminars at least once a month.

**Darlene Johns** (B201) stated that the reserve study was addressed three to four years ago. Dues were increased by 8%. Noted that as Gerald stated, huge savings in 2019 to reserves. Decreased due to return on electricity. Reserves have always been an issue. \$144K/126 units = \$3,500K per unit. To prepare – not taking cash flow into reserves. Questioned if she is missing something? Asked if as of Jan 1<sup>st</sup>, does that include influx from last year? Martha Strock noted that the office has been trying to keep down expenses and recognizes reserves too low.

Previously asking for dues increase over the past two years and that they do need to increase. Martha noted that that the same amount to reserves is not guaranteed to reserves each year.

Discussion followed.

**Michael Nicholls** (A116) stated that he will be running for board again.

**John Coffey** (A315) commented that \$50 parking pass replacement seemed more punitive than recovery. Michael Peters stated that it is not the cost to re-issue, it is more enforcement due to using counterfeit passes. Further discussion held.

**Ken Bergstrom** (C110) asked if the four open board positions were 2 – 3yr term, 1-2yr term and 1-1year term. Michael Peters said the positions would be allocated on number of votes received.

John Scriver (A308) inquired about pool heating and dumpster issues previously mentioned.

**Greg Crook** (C108) stated that during the past 2-3 months, he's noticed huge boxes going into bins. Request signage to please crush boxes.

**Cathy Felkins** (C216) reported illegal dumping occurring around midnight.

**John Scriver** (A208) Concerned with pool heating, how to request for security and noted there was no response to dumpster issue. Discussion followed.

**Gerri Crook** (C108) reported that for the past 2-3 months, there's been a lot of huge boxes put into the dumpster. Request to add signage.

**Richard Felkins** (C216) reported that trash is being put in dumpster around midnight, bottles/cans noise. Questioned roof solar cleaning. Jack Thornton stated that per the contract, it can only be cleaned when there is a decrease in production.

**John Scriver** (A308) questioned what was plans for water leaks. Jack Thornton explained procedure and repairs are being done as leaks are occurring. Also, informed that any additional costs may not be covered. Wavecrest will only pay to original standards and encouraged homeowners to see insurance agent for items upgraded. Due to an increase to the deductible, now \$15K, requested that homeowners consider raising their dwelling coverage to \$50K.

**Calvin Rolan** (C212) commented regarding heating of pool. He suggested a 40' black pipe on top of building with valve to divert water through existing filtration system and allow water to recirculate. Discussion followed.

**Jim Kindsvater** (A215) suggested two dumpsters be located at Bldg. A during winter months. Jack stated a review will be done by Zaida for size, frequency, time of season and find a solution for drive by dumping.

Motion to adjourn meeting by Martha Strock and seconded by Michael Peters. Vote passed unanimously. Meeting adjourned at 11:30 a.m.