



## Board of Directors Meeting Minutes September 25, 2020

The Wavecrest AOA Board of Directors Meeting was conducted pursuant to the provisions of the Governor and the Maui County Mayor's Executive Orders. Board Members and Staff participated in the meeting by zoom teleconference. Homeowners were provided a zoom website link as well as a phone number to participate in the meeting and provide public comment.

### 1. Call to Order and Roll Call

The regular quarterly Board of Directors Meeting was called to order by President Jack Thornton at 9:08AM HST on September 25, 2020. Proof of Notice of Meeting was posted on September 18, 2020. The following Directors were present: Michael Peters, Martha Strock, Michael Nicholls and Rod Huck. A meeting quorum was announced. Homeowners in attendance included John Scrivener, Richard Flipp, Amanda Ballou, Cathy Felkins, Gallen Quinn, Mark Helm, Scott O'Brian, Barbara Goldberg, Brenda Murray, Neal Strock, Gerry Johnson.

### 2. Review/Approval of Minutes and Reports

- a. Director Strock moved and Director Nicholls seconded a motion to approve the minutes as amended per the Johnson's request. Motion carried by a 5-0-0 vote.
- b. Director's and Staff Reports were presented to the AOA in written format. Reading of the reports was waived. Copies of each report follow the minutes.

### 3. Discussion/Action Items

- a. **New Director Appointment** – President Thornton announced the appointment of Greg Lappin. A motion to accept the appointment was made by Director Strock and seconded by Director Huck and passed with a 5-0-0 vote. Director Lappin brings years of management experience in the sport field to the board. He has owned his unit at Wavecrest for approximately 4 years.
- b. **Water Leak Inspection** – President Thornton reported each unit will be inspected for potential water leaks as part of the annual unit inspection.
- c. **Health and Safety** – President Thornton reported all employees are scanned daily for temperatures. Guests and vendors may also be scanned as appropriate upon entering the Resort. Registration is mandatory for all entering the property. This includes all handymen, contractors, housecleaning custodians, delivery personnel, etc. who are also required to verify their authorization to be on site.
- d. **Parking Permits** – President Thornton again reviewed parking permit requirements – 1 permit per unit. Should a homeowner require a second permit, they must do so by personally arranging with another homeowner, *with no vehicle on property*, to utilize the second homeowners permit.



- e. **Refrigerator Ice Maker Plumbing** – The President reviewed that nylon hose connections from refrigerator icemakers to unit water sources are no longer permitted. Copper tubing and connectors are available at the office, at cost, to swap out existing nylon connections. A motion by Director Nicholls, seconded by Director Strock confirming the new refrigerator plumbing requirements passed with a 6-0-0 vote.
- f. **WTTP** – It was reported paint has been introduced into our Wastewater Treatment Plant which is not permitted and compromises the effectiveness of the operation. Oil based paint cleanup and brushes must be taken off site for clean-up. Vinyl paint brushes and equipment may be rinsed off and cleaned at the Car Wash Site adjacent to the A Building.
- g. **Not Authorized to Perform Work** – Ryan Brook not authorized to work at Wavecrest and will be reconsidered for work authorization on 6/10/21, Frank Dormer – ongoing. Neither of the above are permitted to perform work for homeowners at this time.
- h. **Unit Remodeling** – Request for Alteration of Unit forms available at wavecrestaoao.com website and must be completed prior to any unit remodeling. Insurance documents must include Wavecrest Resort, Inc. as additional insured and appropriate permits if necessary, must be noted on the documents. Additional coverage on personal unit insurance should be carried on any upgrades as AAOO insurance coverage only applies to “original condition” (shag carpeting, particle board cabinets, hotel quality furniture, etc.). Owners are urged to carry a “lack of use or loss of rent” rider on personal policies in the event your unit is uninhabitable due to extended repairs.
- i. **Wall Opening** – Please notify the office should you plan on opening the wall between the kitchen and bathroom. The AAOO will inspect and replace piping and sheetrock at AAOO expense.
- j. **Unit Master Shut-off Valves** – The AAOO strongly urges each owner install ball shut-off valves. Those units with gate valves should consider immediate replacement with ball valves. Ball valves are available at the office at cost but require a plumber to install. The AAOO will provide access panels at no cost to homeowners.
- k. **Authority to Limit Access to The Property, Common Areas and Limited Common Areas of the Property**
  - i. The board has the authority to enforce the restrictions imposed by the Hawaii Governor’s Office, the Maui County Mayor’s Office and Wavecrest House Rules.<sup>1</sup>

**Please note the Hawaii Supreme Court has recognized in AAOO Ahuimanu Gardens v. Flint, No. 26826 (2005) that a condominium association board has broad powers and that those powers do not necessarily have to be explicitly**

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“Motion to adopt Hawaii House Bill, known as Act 195 SLH 2018, and to also review Hawaii Statutes for updated legislation, and the authority to adopt them as needed for House Rules and Bylaws to be in compliance with Hawaii Law. [With the understanding that any further adoptions will be reported to owners at open meeting].” Motion made by Jack Thornton and seconded by John Coffee - passed 5-0 (September 25, 2018 Board Meeting.



stated in the governing documents. Under that analysis, the court concluded that since the board's decision was reasonable and made in good faith, it should be upheld.

- l. **COVID** – the AOA is enforcing the Maui County Mayor and Hawaii State Governor's Health Mandates.
- m. **Unit Remodeling** – Resident Manager Place stressed the importance of completing the Request for Alteration of Unit forms and submission to the office *prior* to any unit remodeling.
- n. **Quarterly Financial Report** – Director Strock reported “good financials” for the month of July, however due to Hawaiian's lag time she was unable to present August information. Reserves are growing “slowly” and 16% greater than last year to date.
- o. **Inactive Delinquencies** – At the request of Director Strock, Director Nicholls moved and Director Lappin seconded a motion to write off aged inactive delinquencies on Units A102, A112, A312, B106, B108, C106, C202, C206, C212, C313 and authorize removal from Hawaiian's financials. Motion passed on a 6-0-0 vote
- p. **Uncollectible Debts** – At the request of Director Peters a motion was introduced by Director Peters and Seconded by Director Strock to annually review and take action on uncollectable debts. The motion passed 6-0-0.
- q. **Adoption of 2021 Annual Budget** – following a detailed review of budget scenarios by Director Strock, Director Nicholls moved, and Director Huck seconded a motion to approve the 2021 budget with a \$20/month increase in HOA dues which will transfer directly to the AOA reserve accrual. The motion passed on a 6-0-0 vote HOA dues increase initiated in July will also be transferred directly to reserve accrual. Direct 2021 contribution to reserves will total \$60,480, plus the annual roll-over funds which will be determined and reported at the March 2021 meeting. The board appreciates homeowner's commitment and support in helping to restore reserves to acceptable levels.
- r. **Reserve Study** – A motion by President Thornton and seconded by Director Strock to annually review the reserve study, make determination of items, values, replacement and take action as appropriate. Motion passed 6-0-0. Director Strock provided an overview of the study; it's history and the fact line items less than \$10,000 would be consolidated for accounting purposes.

#### 4. Open Session

- a. **Richard Flipp** – expressed his concern regarding electrical meter charges as unit electricity had been shut off. He is a new owner and looking forward to traveling to Molokai on November 2, however had concerns re quarantine and health order changes. Recommended he coordinate with the office for up to date and correct information. Also reported difficulty with classification changes to his unit.
- b. **Gerry Johnson** – Questioned whether the board had approved the reserve study but not specific items. Specific items for 2021 will be reviewed and presented to homeowners at a future meeting
- c. **Mark Helm** – Requested information on cleaning painting equipment and brushes.
- d. **Darleen Johns** – Asked about reserve accounting detail, opex and capex expense.
- e. **Barbara Goldberg** – Commented positively on Dallas and Jackie's garden

f. There being no further comments, Director Strock moved and Director Nicholls seconded a motion to adjourn to Executive Session. Motion passed on a 6-0-0 vote at 10:32AM HST.

5. **Executive Session**

- a. Executive Session convened at 10:32AM HST by Zoom video conferencing.
- b. Executive Session closed without action or vote(s) at 10:46AM HST

6. **Reconvening Open Session and Adjournment**

Open Session reconvened at 11:12AM HST and meeting adjournment upon motion by Director Nicholls and second by Director Peters passed on a 6-0-0 vote at 11:13AM HST.

**Respectfully written and submitted,**  
Michael Nicholls, Board Secretary

Attachments: Board and Staff Reports