



# MAUI SUNSET

## Newsletter

November 2018

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MR. MAUI

We hope you had a wonderful Thanksgiving and are looking forward to the Christmas Season. Maui Sunset always prepares for the Season with festive lights in the courtyard and on lanais- it is a sight to see.

If you have a special picture you wish to share with the community- please send it to us. To see the newsletter in color you must go to the website where the newsletters are all available.

The November 9th quarter AOA Board Meeting focused on the 2019 budget which will have a 6% increase due mainly to the aging infrastructure and some additions to the Reserve Fund. The budget will be discussed in detail in the Treasurers Report herein.

The Notice of Intent to Distribute General Proxy was posted on the property on November 10th, giving all owners seven days to notify the Association if they wanted to be included in the proxy mailout. Destination Maui, Inc. (DMI) will be preparing the necessary documents for the Annual Home Owner meeting on January 25th. The Annual Owner Meeting documents will be mailed after the week of Thanksgiving. There will be two positions open on the Board as the terms of Director as Harry Hecht and Jack Wetherall will expire.

When the Maui Sunset was created, the applicable condominium statute was HRS 514 A. The current statute which governs our Association is HRS 514 B. Our Declaration of Covenants, Conditions and Restrictions (CCRs) and our By-Laws contain 35 citations to the old statute and need to be updated to comply to the new law. Further, in Act 181 of the 2017 legislature **514-A is repealed effective January 1, 2019**. Your Board recommends you vote for the proposed resolutions to update and correct and remove some

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### 2019— 2020 MAINTENANCE SCHEDULE AND IMPORTANT DATES

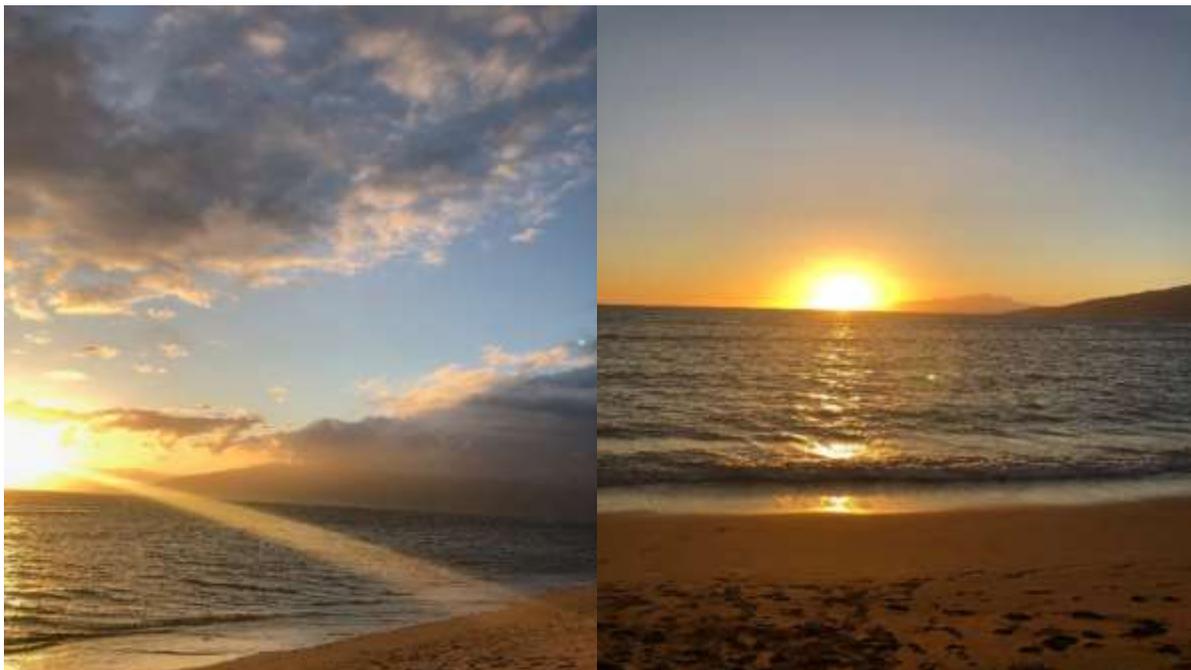
July 15-18, 2019	Lawn de-thatch
November 4-7, 2019	Pool closure
June 1-5, 2020	Lawn de-thatch
September 7-10, 2020	Pool closure

arcane references and language in our declaration. Your Board voted at the November 9th quarter Board meeting to approve the resolutions for the Amendment to the Bylaws. The complete text of the proposed corrections by Jack Wetherall, Chair of the Rules and Regulations Committee is included in the newsletter, located in the draft minutes of the 4th quarter AOA board meeting section. The AOA proxy mail out will include an addendum with letters and emails from the AOA lawyer, Reid Nakamura, Ogawa, Lua, Nakamura and Jack Wetherall. The AOA law firm also recommends the proposed resolutions to correct our documents and comply with HRS 514B. The aforementioned law firm drafted the amendment to the declaration that will be recorded. Please vote in the affirmative by marking "FOR" on your proxy for these corrections and the Amendment to the Bylaws.

REMEMBER TO VISIT THE MAUI SUNSET AOA WEBSITE FOR COMPLETE CURRENT AND ARCHIVED INFORMATION:

[www.mauisunset.me](http://www.mauisunset.me)

Login- paradise; Password- 96753



Pictures by owner Erika Fox B305

## FOURTH QUARTER 2018 PRESIDENT'S REPORT—SANDRA HOOPER

The summer months have been a busy time at Maui Sunset. Unlike other years, we on Maui have been faced with the threat of two hurricanes. We went through pre-hurricane preparations and though it was a good exercise on preparedness, we in Kihei were blessed and did not sustain any wind, flood or fire damage like other parts of the island suffered.

I have spent this quarter assisting our General Manager reviewing contracts, building our 2019 Budget and reviewing licenses. In July we had hired an additional permanent half FTE and temporary half FTE to address the many maintenance projects necessary for a property of our age and size. The Maintenance Staff have not only spent time with the day to day maintenance requirements, but this quarter spent time painting walkways, the mechanical room, doors and railings, also to insure efficiency cleaned the solar panels and addressed the cracks in the A parking lot.

During this quarter we discovered an error in how vacations for our employees have been accruing over

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the last twelve years. The error resulted when our properly approved revised employee handbook was not communicated to our payroll company. General Manager Kari and I worked together to make the necessary corrections and adjustments and after Board approval went forward with a vacation reconciliation which totaled \$37,000.00 and affected 5 employees.

In June we were notified by the county of their rejection of our proposal to utilize R1 water in our parking lots. They continue to insist that we must utilize R1 throughout our irrigation system on our entire property and request an architectural design of our system by October 31st with a deadline for completion of June 30, 2019. We continue to believe that the county is misguided in their decision and on July 3, 2018, we submitted a request for a hearing on this matter. To date we have not been notified of a hearing date and have been told that it could take up to six months to be given a hearing.

## GENERAL MANAGER'S REPORT—KARI DAVIS

Aloha Owners- My first two Board meetings went very well. I'm impressed by the professionalism and kindness of all in attendance.

I have kept busy with several projects. Not to mention getting hurricane disaster ready not once but twice. Hurricane Lane category 4 left little affected here at Maui Sunset. However, we organized meetings and task lists of items that needed immediate attention. We moved furniture off the lanais and closed the pool. We bought supplies and discussed who was going to do what when the hurricane hit. I believe the fact that we over prepared was the reason we were spared. Tropical Storm Olivia, we took a little less panicked approach however we still organized meetings and ran thru who was responding to what and again we saw a little less than a 1" of rain and no winds. I appreciate the staff during these times for their willingness to jump in sharing their knowledge, dedication to Maui Sunset and extra mile attitude.

This month Elvin and Ben cleaned the solar panels. I spent time learning the solar panel website and how best to utilize the benefits.

I met with the Activities desk owners regarding their sales activity. They stated that they continue to have great sales and felt confident that sales are picking up. I purchased new tennis rackets and noodles for the pool. I'm still looking for shuffle board disks.

I met with a dryer vent cleaning company getting bids for cleaning the main vent stack for each building, 45 vertical stacks in all. I understand that they were last cleaned in 1997. We took off 2 roof vents and sent a camera down to look at shafts and the build-up of lint. They need being cleaned however there are a few hurdles we are working through to accomplish this. The new proposal is to clean from the roof down and clean and remove all 1st floor dryer vents to "catch" the lint. I will send an email out asking if any tenants "in-between" would like their vents cleaned individually, changing their dryer tubes for new ones. The cost would be approximately \$100 per unit, a considerable savings from having it done individually.

We had Pipesmith video camera all the main sewer lines under the building slabs from the 4 sewer cleanouts on each building end and from 4 cleanouts in the common area. We should have a complete report within the next couple weeks giving us an understanding of the quality of the lines. They advise descaling all vertical sewer lines as a maintenance item as well as descaling sewer lines under slab. They warn that doing so could blow out cracks if they are there. Need to discuss further.

Please note that the exploratory work for B building is scheduled for May 7, 2019 - May 14, 2019, only affecting B123-B523 lanai's but there will be some banging and scaffolding set up.

Spectrum came out for a couple days working on the 1 stack of A building. They apparently found a "leak" in the wiring and were trying to find it. It is causing problems with the internet on that side. They also looked in A102, A103 and A104. They have said they will need to come back with a supervisor to look at a

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few more spaces.

If you are an owner with a leaking a/c or a rusty a/c please have the unit replaced. Please read the House Rules regarding A/C units so that you are complying. Letters of violation will go out at the beginning of the year for all a/c units that are not in compliance of the House Rules. I have documented with pictures all a/c units currently violating the House Rules so if you have any questions if yours is on the list please contact me. Currently I have 165 homeowners not in compliance. I am giving you a "heads up" that we are looking at these violations and giving you a couple of months to comply. The House Rules state that you have 30 days to replace them which we will begin implementing in January. Please keep in mind that wall unit a/c's typically only last 3-5 years and then need to be replaced. Please remember to recycle them.

I looked into ThinkEco modulet (\$140) which makes a regular a/c a "smart a/c", you can monitor from your phone, reset temperatures, get alerts when it's being used improperly and reminders for maintenance. It's a wise investment and can save you money and energy and the life of the a/c unit itself.

We had Ecolab spray building A on 10/9 and B building on 10/16. They sprayed inside approximately 85% of the units, trash compactor rooms and chutes, sewer cleanouts and maintenance rooms.

The elevators had new flooring installed. The color is a good match to the tile outside on the elevator landing.

Waiting on bids for FOB access system at pool and gym. I have 2 companies getting me bids.

I'm reviewing lighting in elevators to more efficient fixtures, currently T-12 bulbs that are energy suckers as well as create a lot of heat. May help the temperature in the elevators if we switch to LED. Also, looking into all lights that are on all day long, in stairwells and on walkways, approximately 100, should be switched out to more efficient LED lighting instead of compact fluorescent to save energy and money.

Scheduled fire alarm testing, refilled first aid kits at pool, worked on discrepancies from last elevator permit testing, had fitness equipment quarterly maintenance completed and met with the new propane company regarding switching out the one tank to 2 smaller ones.

This was an eventful month for water damage issues. I'm learning the ins and outs of insurance procedures and seeing lots of sewer pipes. Please contact me if you suspect water damage. In most cases involving pipes inside the walls and the damage it creates the insurance procedures require all owners involved and AOA to file a claim with their respective insurance carriers. Please also keep your insurance up to date and sent in to HO6@insuringhawaii.com.

My job can be tough on certain days, so every smiling face helps to keep me focused on the blessing that is Maui Sunset. Thank you for the smiles.

If there is anything I can do to help make your ownership at Maui Sunset better please come see me or email me, I am at your service.

## Kayak and Surfboard Storage Notification

All kayaks and/or surfboards need to be registered with the Manager ASAP. You will receive a number to put on your board that indicates it is registered. If you have already registered and don't have your number yet please pick it up from Kari.

Storage cost for 1 kayak/surfboard is \$110, it is charged in January for the year.

**Please note: by January 31, 2019 any kayaks that have not been registered and paid storage or removed will be sold or donated per Hawaii State Law referring to abandoned property.**

## HOT TOPIC! THE SWIMMING POOL AND HOT TUB, OUR MOST POPULAR AMENITY

Our pool is famous...large deck for lounging, deep water, and spacious shallow end. An attractive amenity for all. Guests, owners, young and old love to utilize the pool and adjoining hot tub from opening to close. All users have same rights of enjoyment of the pool area. Children and families as well as adults looking for a quiet place in the sun are all welcome.

Please practice Aloha and convey to your fellow owners and guests the need to be civil and respectful of all uses at the pool.

### An excerpt from the front desk handout

The pool area is our most popular amenity for all age groups. For the best experience possible follow these guidelines and use **Aloha** when interacting with all users of the pool area. If you should have any questions please speak with the Poolside Activity Desk or the General Manager at the office.

- \* Daily Hours: 8am — 10pm (Security services will lock gate at 10pm sharp)
- \* No Lifeguard on Duty
- \* Pool & Hot Tub gate keys are issued at check-in.
- \* Pool and Hot Tub areas are restricted to owners and registered guests.
- \* **Please observe all posted Hot Tub and Pool Rules**

#### **Absolutely NO**

- \* Unsupervised children under twelve (12) years of age
- \* Glass of any kind.
- \* Smoking
- \* Throwing of any objects, example balls or water toys
- \* Flotation devices unless required to assist non-swimmers.
- \* Snorkel gear (allowed 8am –9 am)
- \* Diving and Running
- \* Nudity
- \* Diapers/Swim Diapers in Hot tub
- \* Any other rules posted in pool area

# DRAFT MINUTES OF THE FOURTH QUARTER BOARD MEETING

## Association of Apartment Owners of Maui Sunset Quarterly Board of Directors' Meeting Minutes November 9, 2018

Board Members Present: Sandra Hooper, President/Treasurer; Jack Wetherall, Secretary; and Directors Ed Meyer and Harry Hecht

Board Members Excused: Dave Courson, Vice President; and Directors Leigh Randle and Scott Graves

Owners Present: Roy & Dianne Obal, A-103; Janine Silgalis, A-114; Perry Brassington, A-207; Mick & Linda Hulbert, A-521; Joseph Hooper, A-510; Karen Hecht, B-116; Susan Mydlar, A-418; Alice Plentz, A-505; Ruby Lee DeBlasio, A-118; Susan & Mark Matthew, B-122; John & Janet Crews, A-522; Dawn Branston, A-318; and Janet & David Vonada, A-520

Other Attendees: Kari Davis, General Manager; and Carol Simmons, Recording Secretary

### I. CALL TO ORDER

President Sandra Hooper called the Association of Apartment Owners of Maui Sunset Quarterly Board of Directors' Meeting to order at 8:30 a.m. The Meeting was held at St. Theresa Church, Kihei, Maui, Hawaii.

### II. DECLARATION OF QUORUM

There was a roll call, and a quorum was declared with four Directors present.

### III. INTRODUCTIONS

Introductions were made at this time.

### IV. PROOF OF NOTICE

It was certified that Notice of Board Meeting was sent to all Directors on November 2, 2018, in accordance with the Association governing documents, and it was posted on property in compliance with Hawaii State Law.

### V. APPROVAL OF MINUTES

MOTION: To approve the Minutes of the August 17, 2018, Board of Directors' Meeting, as presented.  
Wetherall / Hecht Unanimous Approval

### VI. PRESIDENT'S REPORT

The President reported that the summer months have been a busy time at Maui Sunset. With the threat of two hurricanes, the Association went through pre-hurricane preparations. Although it was a good exercise on preparedness, the Kihei area was blessed and did not sustain any wind, flood or fire damage like other parts of the island suffered.

The President spent this quarter assisting the General Manager reviewing contracts, building the 2019 Budget and reviewing licenses. In July, the Association hired one permanent and one temporary half full-time employee to address the many maintenance projects necessary for a property of Maui Sunset's age and size. The Maintenance Staff has not only spent time with the day-to-day maintenance requirements; this quarter, they painted walkways, the mechanical room, doors and railings, cleaned the solar panels and repaired cracks in the A parking lot.

During this quarter, the Board discovered an error in how vacations for employees have been accruing over the last 12 years. The error resulted when the Association's properly approved revised Employee Handbook was not communicated to the payroll company. The General Manager and President worked together to make the necessary corrections and adjustments; and, after Board approval, went forward with a vacation reconciliation that totaled \$37,000 and affected five employees.

In June, the Board was notified by the County of its rejection of Maui Sunset's proposal to utilize R1 water in Association parking lots. The County continues to insist that the Association must utilize R1 throughout the irrigation system on the entire property. The County also requested an architectural design of Maui Sunset's system by Oct. 31, 2018, with a deadline for completion of June 30, 2019. The Board continues to believe that the County is misguided in its decision; and, on July 3, 2018, members submitted a request for a hearing on this matter. To date, the Board has not been notified of a hearing date and has been told that it could take up to six months to be given a hearing.

## VII. GENERAL MANAGER'S REPORT

Ms. Davis submitted a written report summarizing recent Association projects and activities.

She reported that Maintenance Assistant Ben Garcia left on October 18, and part-time Maintenance Employee Travis's last day was November 1. Mark was rehired on November 2 to continue to help out. Ms. Davis will continue to interview and hire for the open positions.

Elvin had a successful pool closure; he found that the pool heater was acting up and will order some parts. The Activity Desk was tented for termites. Ms. Davis ordered several new barbecue parts to repair igniters and fire tubes that were blocked.

Pipesmith ran video cameras in all the main sewer lines under the building slabs from the four sewer cleanouts on each building end and from four cleanouts in the common area. The company will send a complete report with a copy of the video, so the Association can get an understanding of the quality of the main sewer lines. They advise descaling all vertical sewer lines as a maintenance project, as well as descaling sewer lines under the slabs. However, they warned that doing so could blow out cracks if they are present. Ms. Davis has also researched plumbing companies that can line the pipes with epoxy; she is waiting on bids for that work. The Board needs to discuss these projects further for budgeting purposes.

Spectrum is working to fix Internet issues in the A Building. They will need to come back with a supervisor to look at a few more spaces.

Owners with a leaking or rusty air conditioner are reminded to have the unit replaced. Please read the House Rules regarding a/c units to ensure compliance. Letters of violation will go out at the beginning of the year for all a/c units that are not in compliance of the House Rules. There are currently 165 homeowners not in compliance; contact Ms. Davis with questions. The House Rules state that owners in violation have 30 days to replace the a/c units; the rule will be implemented beginning in January 2019.

Wall unit air conditioners are typically warrantied for five years. If you clean the filters every two weeks, have them serviced every quarter and run them properly, they can last longer. With Maui Sunset's salty air from the ocean, they will most likely corrode by the five-year mark and need to be replaced. Remember to recycle them at Hammerhead Recycling.

Ms. Davis researched the ThinkEco module (\$140), which makes a regular a/c a "smart a/c" that you can monitor from your phone, reset temperatures, get alerts when it's being used improperly and receive reminders for maintenance. It's a wise investment and can save owners money, energy and the life of the unit itself.

Ecolab sprayed Building A on Oct. 9 and B Building on Oct. 16. They sprayed inside approximately 85 percent of the units, trash compactor rooms and chutes, sewer cleanouts and maintenance rooms.

The elevators had new flooring installed; the color is a good match to the tile outside on the elevator landing. The elevator landing tiles will be deep cleaned, one stack per month, requiring the elevator to be shut down for two days. Ms. Davis will send e-mails out as a reminder.

Ms. Davis is waiting on bids from two companies for a frequency operated button access system at the pool and gym. She met with representatives and walked through issues and fixes with them.

The General Manager is exploring the potential of installing LED lights in the elevators, as well as stairwells and walkways (100 total), to save energy and money. Switching to LEDs will also reduce heat in the elevators.

The fire alarm testing is scheduled for Monday, Nov. 12. The staff refilled the first aid kits at the pool, worked on fixing discrepancies from the last elevator permit testing, had the fitness equipment's quarterly maintenance completed and met with the new propane company regarding switching out the one tank to two smaller ones at the end of November.

Patio furniture on the park side, first floor was stolen. Ms. Davis instructed the landscapers to plant more bougainvillea along the road by the propane tanks to impede traffic on that side, and they are looking at planting more there to block off access through the parking lot to the park. Due to homeless and teenagers in the park using lanai plugs and Wi-Fi at Maui Sunset, she highly suggests that first floor owners install outlet lockboxes on their lanai outlet. Owners should also make sure their Wi-Fi is password protected; patio furniture should be labeled and/or locked in some manner. The General Manager has asked security to have more of a presence during early morning hours on the park side to deter any mischief going on.

This was an eventful month for water damage issues. Ms. Davis is learning the insurance procedures. Owners should contact her if they suspect water damage. In most cases involving pipes inside the walls and the damage it creates, the insurance procedures require all owners involved and the AOA to file a claim with their respective insurance carriers. Owners are reminded to keep their insurance up to date and send proof to H06@insuringhawaii.com.

Acting on owners' questions, Ms. Davis followed up on the cancellation of cardboard recycling. The facility that takes cardboard from the trash companies is now being very selective with the cardboard they are accepting. They do not take wet, dirty or cardboard with any oils on it. The company that takes cardboard here on Maui is being very selective, and the cost of cardboard recycling has tripled.

Ms. Davis is working on establishing Wi-Fi at the pool, based on owners' requests.

The main stack dryer vent cleaning is scheduled for January. If you are on the first floor, workers will need to pull out your dryer to vacuum the main shaft from the roof all the way down. Part of the bid for that work includes replacing the flexible dryer connection. If you are on floors 2-5 and would like your dryer vent cleaned and a new flexible dryer tube installed, the cost will be \$79 (if you schedule individually, the cost is \$100). E-mail Ms. Davis if you would like the vent cleaning scheduled during the main cleaning work.

See Ms. Davis to register your kayak for 2019. She will provide a registration number to be put on the kayak/SUP/surfboard. The Board is considering giving numbered slots to those who register for the year; contact Ms. Davis if interested. Currently, the office charges \$5 for guests to store their board or kayak for a week. Her concern is there may not be enough spaces available, so coming up with a short-term storage area for weekly guests could be an option.

If owners are not already on Ms. Davis's distribution e-mail for Maui Sunset owner information, e-mail her to be added. It is not a forum, and no e-mail addresses are seen — it is strictly for getting information from the General Manager to owners.

She concluded by encouraging owners to see or e-mail her if there is anything she can do to help make ownership at Maui Sunset better.

Ms. Davis answered questions owners had. The President added that the dryer vent cleaning project is long overdue. She credited Ms. Davis for saving the Association money on propane (40 cents less per gallon) by switching to a new vendor.

## VIII. TREASURER'S REPORT

President/Treasurer Hooper submitted a written Fourth Quarter 2018 Treasurer's Report.

For income, maintenance fees are on track; delinquencies are minimal with nothing significantly dated. The Association continues to be under budget in activity desk commissions by \$2,050 year-to-date. Soda income, which will continue to be down since the machine has been removed, is under budget by \$253. Kayak storage is under budget by \$32; the staff is working to identify owners of the many kayaks in the storage facility and bill them properly. There is a \$16,396 discrepancy between Electricity Income and Electricity Owners, which is due to a timing difference between when owners get their bills and the charges are billed from Maui Sunset's supplier. In total, the Association saw a \$16,250 loss against budgeted income year to date, which should rectify over the next quarter.

Payroll and Benefits expenses came in under the budgeted amount by \$25,495. This amount was reduced from the previous month, since the Association had one watchman out of work for a week due to injury, and overtime was paid to existing staff to cover. In order to manage for this in the future, the General Manager is recruiting for casual employees in Security and Front Desk positions. Although not reflected in these financials, an error was discovered in the way vacations have been accrued for employees going back to 2006. This affected five employees, whom the Association owed an additional week of vacation pay per year for 12 years. The correction has been made and the employees paid, result-

ing in an additional charge to this category of \$36,780, which will show in the October Financials and essentially wipe out the current under budget amount in this category.

Repairs and Maintenance came in under budget by \$13,756. All subcategories enjoy an under budget position with the exception of pool supplies, which is over budget by \$4,150. The Association's supplier has been delivering pool supplies over an extended period of time but not generating bills. He finally caught up with billing, generating the over budget position.

In Utilities, cable is over budget by \$4,280, telephone by \$171 and sewer by \$17. All other utilities are under budget, and the total Utilities category is under budget by \$5,373.

In Administration, year-to-date, the Association is under the budgeted amount by \$13,045.

Finally, year-to-date, the Association enjoys a net operating income of \$24,519. The spalling project has cost \$423,735, with a final payment due at year-end. This expense comes from the Reserve Account that totals \$820,203. The Association needs to continue to strongly fund the Reserve Account in anticipation for not only the spalling project on the B Building but other deferred maintenance projects — including completely updating the irrigation system — in the future.

After consulting with Ms. Davis, the Treasurer drafted a Budget Report for 2019. The following budget assumptions were made: 1) A 2% increase for employees plus bonuses approved at the August Board Meeting. 2) A 1% increase in employee benefits. 3) A 31% increase in refuse (new contract began 7/1/18). 4) A reduction in Activities Desk income based on present year-to-date data. 5) A 127% increase in kayak storage fees due to more accurate billing. 6) A 20% increase in storage rental (increase approved in 2017 after budget). 7) A 79% increase in buildings (removed funds from beach cleanup and added to buildings). 8) A 4% increase in accounting agreement. 9) An 8% increase in insurance beginning August 2019. 10) Slight increase in legal fees from present run rate. 11) A \$2,000 increase in meeting expenses due to more scribe hours. 12) A yearly increase to Reserves of \$52,493.

The Board now knows the Association will have spent \$500,000 on the A Building project. If the Association plans to do the B Building in 2020, that will use up all the Reserve money contributed over the next two years, and there will be no money for other items such as pool furniture, parking lots or possibly preparing for R1 irrigation. Therefore, the Treasurer believes it would be prudent to raise Reserves.

In order to have a break-even budget, it is necessary to raise maintenance fees by 6% (there was no increase for 2018 and a 9% increase for 2017). The new maintenance fees would be: 1) One-bedroom apartment increase of \$29.37/month and \$352.53 annual; monthly fee from \$489.63 to \$519/month. 2) Two-bedroom increase \$38.52/month and \$462.24 annual; monthly fee on average from \$642.01 to \$680.53. 3) Three-bedroom increase \$61.02/month and \$732.24 annual; monthly fee from \$1,017.28 to \$1,078.30.

The Treasurer answered questions owners had.

The Treasurer tested the budget built in August against August and September actual figures and believes no further adjustments are needed.

MOTION: To approve the Budget.

Wetherall / Meyer Unanimous Approval

#### IX. SECRETARY'S REPORT

Corporate Secretary Jack Wetherall reported that Association rules and regulations will be discussed later in the Meeting.

#### X. COMMITTEE REPORTS

##### A. Amenities

Vice President Courson was absent from the Meeting. The President read his Fourth Quarter Amenities Committee Report.

The General Manager is exploring options for the replacement and relocation of the bicycle rack in front of the B Building.

Gym maintenance was completed on October 31 — owners are encouraged to check it out — and the panel purchased six new tennis rackets (four for adults and two for children).

Pool security continues to be a problem. The General Manager is waiting for two more bids, from Security Tech and Aloha Lock and Safe, in addition to a bid from an electrician before making her recommendation to the Amenities Committee. The projected cost to provide key frequency operated button (FOB) readers for the gym and pool area is approximately \$3,000-\$5,000. The pros of having card readers include: 1) Keys can't be duplicated. 2) Lost FOBs can be deactivated. 3) Key FOBs reduce the workload on the office staff in the distribution, receiving and accounting of keys. 4) Key FOBs can be auditable (if there is an issue). 5) Locking and unlocking would happen automatically. 6) Ease of use for owners and guests would be markedly improved. The Amenities Committee recommends further research and additional input from the AOA before bringing a recommendation to the Board of Directors for a vote.

An ad hoc Pool Rules Committee is currently reviewing the pool rules. A report and recommendation for AOA Board consideration will be presented at the next Board Meeting.

The old pool noodles have been replaced. The activity desk informed the General Manager that they are no longer supplying pool noodles.

The shuffleboard disks need to be replaced. They have been glued several times, but no longer stay glued. The General Manager looked online for the disks used on concrete, but there are only a few places that sell them, and they are all in Canada. Each set was about \$70 plus shipping; she will be looking at more options on eBay.

There are currently 22 kayaks stored in the kayak storage. About a dozen surfboards are also stored in this area. The kayak storage area has been recently updated, and new codes and locks have been issued. The Amenities Committee wholeheartedly agrees with the General Manager's recommendation that the Association should provide designated slots with the name (or assigned number for anonymity) for the owners of all kayaks. All of the surfboards should also be registered and charged payment for storage. The General Manager is currently investigating options to upgrade the deck surface of the storage area with a rubberized surface.

The General Manager and staff are currently investigating particular problems some residents and guests are experiencing with Spectrum Internet. They are diligently working on identifying and resolving those problems.

Meetings with the General Manager are regularly held to identify and prioritize amenities issues. General Manager Davis is to be commended for her insight and availability in assisting the Amenities Committee in maintaining its high standards of providing the amenities Maui Sunset residents and guests continue to enjoy.

Owners can contact Vice President Courson at any time regarding questions or suggestions pertaining to committee responsibilities and/or actions.

#### B. Human Resources

Vice President Courson was absent from the Meeting, so the President read his Human Resources Committee Report.

The Board President and General Manager are currently reviewing the Employee Handbook and will make recommendations for changes at a future AOA Board meeting.

#### C. Internal and Public Relations

Vice President Courson was absent from the Meeting, so the President read his Internal and Public Relations Committee Report.

Living on the property full-time provides the Vice President ample opportunities to "talk story" with the Maui Sunset staff and maintenance crew. The staff continues to adhere to the highest standards of excellence in their various responsibilities.

Residents and guests repeatedly comment on the professionalism, cordiality and efficiency of the Maui Sunset staff. The office staff, grounds and maintenance crew continue to efficiently serve in a spirit of aloha.

#### D. Beach

Director Meyer said Kihei was fortunate that two recent tropical storms caused minimal damage to the area. The beach at Maui Sunset came through very well.

If owners are interested, Director Meyer has photos comparing the beach fronting Maui Sunset in 2015 to May 2018. Morning glory was planted in 2016 to help shore up the dune. The Association is fortunate to have a stable, growing beach with no seawall needed.

#### E. Buildings

Director Hecht presented the report on behalf of fellow Committee Member Leigh Randle.

He began with an update on the repair of the northwest corner of the A Building. Construction on this project started on April 23, 2018, and the work will be completed on or about the end of January. Due to delay in delivery of the windows and ordering two windows of the wrong size by the contractor, completion of the work was delayed six months. The final work was reviewed and approved by the Association's Structural Engineer, Brandon Erickson, and by Maui County. The contract included as built drawings for future reference.

There were three amendments to the original agreement with Viking that added 23 additional items of work at a cost of \$85,000. This was offset by an agreement with a fifth floor owners who will pay about \$21,000 for upgraded windows and a retractable screen in their unit.

Viking Construction did quality work and was very cooperative with Maui Sunset staff and building occupants. The committee also had quality assistance during construction with Erickson Structural Engineering and Pili Design and Construction. There were some delays, but most work was done per schedule at estimated cost. Based on the team's performance, the committee would recommend using the same team on the B Building corner repair.

The Board approved funding for exploratory work on the B Building's southwest corner. The work is scheduled to be done in May 2019, so that the design work could be done next year with construction to repair the damaged corner possibly in calendar year 2020, if the Association has sufficient funds in Reserves with other competing building needs.

The County has been irrigating Waipuilani Park with R1 water. There appears to be times when their irrigation of the park is not being done. The rumor is that they are having a problem with their pump for the system or a lack of available R1 treated wastewater. The Association has used its well water to keep the grass healthy and alive when the County fails to perform. This may be an ongoing problem, as there appears to be no cooperation from the County despite the staff's attempts to work together.

As stated in the August Meeting, the Association has filed an appeal with the County over its orders to irrigate the entire property with R1 wastewater. The appeal was filed on July 3, 2018, and will take 6-9 months for the appeal hearing to be scheduled. This action was necessary to use all administrative remedies prior to litigation. The Appeal Board has narrow authority to grant our appeal; primarily, the Appeal Board reviews the order to determine if the department head that made the order acted outside his or her authority. The Board believes the Association has provided ample information to win the appeal, but the Appeal Board is difficult to read. The Appeal Board has not had this type of appeal in the last three years, according to Minutes of their Meetings.

There is a lot at stake in this appeal. If Maui Sunset loses the appeal, court costs to further contest this issue have been estimated at \$50,000 to \$80,000, with no assurance that the Association would prevail. A loss in court would require that Maui Sunset spend up to an estimated million dollars on a new irrigation system that would limit the use of the central lawn area under Department of Health regulations.

A compromise with the County to irrigate only the parking lot areas still seems like a logical compromise with the County, should it ultimately agree. Should the Association prevail in its appeal, Director Hecht suggests withdrawing that offer.

Several of the Board Members have an extensive knowledge of the issues that deal with this appeal. If the County hears the appeal in 6-9 months, the hearing date would be next January, February or March. Given who is on property at the time of the appeal, the Board could have one of the Board Members present at the hearing, or consider use of Association attorneys in the presentation to the Appeals Board.

MOTION: That if the County, prior to the appeal, agrees to the compromise proposal of irrigation of only the parking lots, the Association should sign an agreement with Maui County and save the interior courtyard.

Hecht / Wetherall Unanimous Approval

MOTION: That if the R1 issue does go to the Appeal Board, Director Hecht will conduct the presentation of the Association's appeal. The issues under the appeal are limited and straightforward, and knowledge of the regulations, appeal process and history seem to be critical to winning the appeal.

Hecht / Wetherall Unanimous Approval

MOTION: That if Maui Sunset prevails in the appeal, the Association should use no R1 wastewater on the property.

## Hecht / Hooper Unanimous Approval

Many of the sewer pipes in Maui Sunset are showing signs of age. The AOA is responsible for all sewer lines that carry wastewater from more than one unit. The current problems in the system appear to be under the floors of the first floor units. The Association has been videotaping these lines to determine if they should be scaled, lined or replaced. Replacement of these lines will be very expensive and very disruptive. The committee is looking into a long-term program that will address these pipes, with the most critical addressed first.

Director Hecht said advance-planning items include the Building B southwest corner repair. The committee is working on agreements with the structural engineer for design, an architectural firm and contractor; timeline for construction; and interaction with the owners and guests of the affected project.

Another project involves placement of security cameras. This item will be addressed by Director Graves. The Building Committee supports the installation of security cameras, including the pool area.

Director Hecht answered questions owners had.

### F. Long Range Planning

Directors Hecht and Randle have been researching the Association's solar agreement and options in seven years, when the Power Purchase Agreement expires. Director Hecht met with the bank to inquire about purchasing the system when the PPA ends; a representative said the bank would likely sell the system for 7-10% of the price of the solar system. Should we decide to buy the solar system at that time we would need to reimburse them \$65,000 for tax credits they could not get.

He concluded by noting the Association's current agreement will not change, and it should consider buying the system in seven years. After that, the system will last another 10-15 years.

### G. Communications/Newsletter

Director Meyer said the cutoff date for the newsletter is November 12. The Board will continue to post the newsletter and other information to the Association's website. Owners are encouraged to send in pictures to include in the newsletter.

To save postage, owners can inform Ms. Davis that they don't want the newsletter mailed to them.

The committee learned that the handouts at the front reception desk have rules that are different than the rules at the pool. Volunteers, including Steve Meyer, have correlated all of the rules together, and they sought input from Ms. Davis. Handouts will soon contain the same information.

Director Meyer recommended distributing to arriving guests a page listing the significant pool rules and having them initial it, and that the Hawaiian Activities Center inform guests of the pool rules during orientation.

Director Meyer answered questions owners had about enforcement of the pool rules.

### H. Insurance

Treasurer Hooper reported that on August 1, 2018, the Association signed an agreement with Insurance Associates for insurance coverage on the property for fiscal year 2019. The premium totaled \$103,935. This represents a 16% year over year increase. The increase is due to an increase in building replacement cost, equipment breakdown cost, commercial liability, commercial umbrella and directors'/officers' coverage.

In late August, a flood originated by an owner's plumbing defect in a fifth floor unit generated building damage and damage to the fourth floor unit below. A claim was made to the Association's insurance, which paid \$2,700 to the fourth floor owner who sustained the damage. The \$5,000 deductible was assessed to the fifth floor unit owner who generated the damage for a total claim of \$7,700. The fifth floor unit owner should be able to claim the \$5,000 deductible amount against their H06 policy.

The Treasurer answered questions owners had on Association and H06 insurance.

### I. Security and Grounds

Director Hecht read the Fourth Quarter Security and Grounds Committee report on behalf of Director Graves.

Currently, the Association has a bid of \$11,354 from Blackhawk Security — a company highly recommended by another Association — for installing cameras around the perimeter of Maui Sunset. The bid does not include running a con-

duit for cable installation between the two buildings for connection to the office; Director Graves believes the grounds' staff is well equipped to handle that work. The committee is awaiting a bid from Security Tech for similar camera coverage. It has been difficult finding qualified people to provide quotes; the next few months will be devoted to securing more bids. The pool area is not part of this bid. Directors Hecht and Graves have collected information on security cameras from several Condo Associations in South Maui for the Board's reference.

A camera system may be installed with a dedicated recording device in the Pool Activity Center. This system cannot be hacked, as it is hardwired to a dedicated recording device, and can be accessed for police use in the event of serious altercations or trespasses only — not as a means to solve minor disputes. A system required for this purpose can be purchased through Costco for less than \$500. Cameras are motion- and low light-sensitive and can be used for night vision.

Director Graves' proposal is to submit three security camera coverage options at the Annual Meeting to be voted on by members.

The grounds continue to be maintained in excellent condition. Thatching was done this past quarter, and the lawns have returned to their usual beauty. The Association has not received further demands for R1 water irrigation in the center commons area. The grass in front of the A Building construction sight has returned to normal. Elvin has done a masterful job dealing with leaks in Maui Sunset's aged irrigation system.

This past quarter, Maui Sunset was extremely fortunate to evade hurricane damage. Director Graves informed an area homeowner of the Association's water disposal system of pumping water onto the property, which has been approved by the County. Concerns about water accumulation along South Kihei Road must be presented to the County.

It has been several years since Association parking lots have been sealed and lanes painted. Cracks of different widths have accumulated. Cracking is a major problem; and if left unattended, results in more cracks and minor sinkholes. A do-it-yourself process to fill cracks was attempted in the A Building parking lot with unsatisfactory results. Bids for crack repairs in the parking lots were obtained from two companies; Pacific Asphalt and Maintenance's bid was lowest, both parking lots at \$5,553. A second bid for the B lot only is \$3,309 (at \$1.50 per foot and estimated 1,785 feet) for materials and labor.

This process is not a long-term fix, but it allows the Association to reduce water damage until a more permanent resurface job is accomplished. Sealcoating is an option, but it is expensive and involves repainting parking stall lines. Sealcoating does not improve pavement structure in any way — it is a preventative process. Once damage has reached a certain stage, such as at Maui Sunset, sealcoating is a waste of money. The alternative is to remove and pave. To give an idea of what is involved and the cost, cold-planning off the asphalt (1.5 inches), excavating and removing debris, applying track oil, and installing 1.5-inch asphalt would cost \$265,665 for materials and labor. The maintenance staff can paint the parking stall stripes.

Director Graves recommends delaying the crack fill on the B parking lot until December. Pacific Asphalt is willing to do the work, then give the Association one month to pay the bill in January. The Board can budget the work for 2019, since there is not a budget item for this work in 2018. Alternatively, the Board could budget for the full amount (\$5,553) and crack fill both parking lots, since the work done on the A lot is not up to expectations and may not give sufficient protection until a more permanent solution can be reached.

A system has been developed for timely notification of House Rule violations. Focus is currently on violations that are most noticeable in regard to maintaining property values and building safety. The first area of focus is on properly painted and maintained front doors, termite infestations and rusted and leaking air conditioners. So far, compliance has been good.

Director Hecht answered questions owners had.

MOTION: To discuss pool security cameras in Executive Session.

Wetherall / Second Unanimous Approval

MOTION: That when numbers become available for the security camera alternatives, that the Board meet by phone in advance of the Annual Meeting, so the Board can make a proposal or Resolution to the owners for a decision.

Wetherall / Hecht Unanimous Approval

MOTION: To approve the project to fill cracks in the B Building parking lot in December.

Hecht / Meyer                      Unanimous Approval

J.            Internal and Public Relations

Vice President Courson noted in his written report that living on the property full-time provides him ample opportunities to "talk story" with the Maui Sunset staff and maintenance crew. The staff continues to adhere to the highest standards of excellence in their various responsibilities. Residents and guests repeatedly comment on the professionalism, cordiality and efficiency of the Maui Sunset staff. The grounds and maintenance crew continue to serve efficiently and effectively.

There are no problems to report at this time within the scope of the Internal and Public Relations Committee.

K.            Rules and Regulations / Timeshare Liaison

Secretary Wetherall said the Board in May learned about some anomalies in the Association's governing documents. After reviewing the documents, the Board is prepared to make several changes. When Maui Sunset was created, the applicable condominium statute was HRS 514 A. The current statute that governs the Association is HRS 514 B. The Association's Declaration of Covenants, Conditions and Restrictions and By-Laws contain 35 citations to the old statute and need to be updated to comply with the new law. Further, in Act 181 of the 2017 Legislature, 514-A is repealed effective January 1, 2019.

MOTION:        That Association counsel revise the Association Declaration and By-Laws to remove arcane references to HRS 514A and amend sections as necessary to reference the comparable sections of HRS 514B.

Wetherall / Meyer                      Unanimous Approval

When founded, the old statute required the Association to retain a Hawaii corporation as "managing agent." Such entities charged substantial fees based on the dollar total of assessments. The Association did away with such an entity (Great American Management) many years ago, but its documents still reference the "managing agent." In addition, the current documents still reflect the old number of directors (nine), which was reduced to seven to save funds.

MOTION:        That Article III, Section 1 be rewritten in its entirety to provide: Section 1, Number and Qualifications: The affairs of the Association shall be governed by a Board of Directors composed of (7) seven persons, unless not less than 65 percent of all Apartment Owners vote by mail ballot, or at a Special or Annual Meeting, to reduce the number of Directors. All members of the Board of Directors shall be owners, co-owners, a spouse of an owner, vendees under an agreement of sale or officers or employees of corporate fiduciaries. There shall not be more than one (1) representative on the Board of Directors from any one (1) apartment. No General Manager shall serve on the Board of Directors.

Wetherall / Hooper

Directors Wetherall, Meyer and Hooper voted in favor of the Motion. Director Hecht abstained. The Motion passed by a majority vote.

MOTION:        That Article III, Section 3 be rewritten in its entirety to provide: Section 3. General Manager. The Board of Directors shall at all times employ a responsible General Manager. Subject to direction by the Association President, the General Manager shall perform such duties as set forth in the job description, approved by the Board of Directors, contained in the General Manager's employment contract. All references to a "Managing Agent" throughout the Declaration and By-Laws shall by counsel be replaced with "General Manager."

Wetherall / Meyer                      Unanimous Approval

Recent revisions to 514 B have required clarification regarding fines, their imposition and methods for appeal.

MOTION:        That a new section be added to the Association's governing documents as follows: ARTICLE XI, FINES SECTION 1. General: The Board of Directors or the General Manger may impose fines for violation of these rules and/ or violation of the House Rules. The Apartment Owners are responsible for payment of any fines imposed with respect to their apartment, or as a result of the actions of the owners, tenants, family members, guests, agents, or employees. The schedule of fines will be found in the house rules. The Board reserves the right to establish a new schedule of fines at any time. Nothing contained in this section shall be interpreted to prevent or delay the Board or the General Manager from enjoining, abating, removing or remedying any violation or breach which may impair the value or safety of the project or the safety or health of any apartment owner. SECTION 2. Fines: A verbal or written warning will be given to the alleged offender citing the violation and providing the time frame granted to correct the violation. If not corrected,

the offender is sent violation letter 1 advising of a fine to be assessed each and every month thereafter that the alleged non-compliance continues. The letter shall also grant a 15-day grace period from receipt of the letter in which to cease the violation. If the violation is not remedied during the grace period, violation letter #2 is sent advising of that the monthly assessment of fine has commenced. SECTION 3. Appeal Process: (a) On receipt of Violation Letter #1 or Violation Letter #2, an owner may appeal the violation to the Board of Directors by written correspondence to the Secretary of the Board. The correspondence must state the reasons for the noncompliance with the By Laws or House Rules in sufficient detail so that the Board can make a reasonable determination. If the owner agrees a violation has been in fact made but claims extenuating circumstances, the owner must specifically state such circumstances. If the owner determines that the violation will be promptly corrected, the time for compliance shall be so stated. (b) The Board may reduce, suspend, or cancel fine(s) after consideration of the appeal as described below. The Board will mail or deliver a written decision to the person making the appeal within sixty (60) days of the notice of appeal. (c) Pending an appeal to the Board, an owner need not pay a fine and no lien shall be imposed on an Owner's Apartment. Unless the Board votes to reduce, suspend or cancel a fine, filing a notice of appeal shall not halt the accrual of any ongoing late fees or fines imposed for the offense which is the subject of the appeal.

Wetherall / Hooper      Unanimous Approval

Board members answered questions owners had on the number of Directors.

#### XI. NEW BUSINESS

##### A. Reserve Study

The President recommended that the Association have a Reserve Study performed in early 2019. It's been three years since the last update. A firm provided a bid for a full study with site inspection for \$2,850.

MOTION: To authorize the Treasurer to take \$2,850 from the Reserves to go forward with a comprehensive Reserve Study for 2019.

Hecht / Wetherall      Unanimous Approval

##### B. Non-discrimination and Accommodation Policies

The President and Director Hecht attended mediation on behalf of the Association in July; and as part of the agreement, the Association is required by the Hawaii Civil Rights Statute to adopt a Non-discrimination Policy (see attached), have it posted and distribute it to all employees. The Association must also have a Reasonable Accommodation Policy (see attached).

MOTION: To approve the two policies.

Wetherall / Hecht      Unanimous Approval

##### C. Revisions to House Rules

There are two revisions proposed. The first rule to be changed states that snorkeling is approved from 10 a.m. to 10 p.m., which conflicts with current pool rules. The second rule to be amended states that there are smoking benches on both the A and B sides of the property.

MOTION: To update the House Rules.

Hecht / Wetherall      Unanimous Approval

#### XII. EXECUTIVE SESSION

The Board moved to Executive Session at 10:15 a.m.

Respectfully submitted,

Louise Rockett

Transcriptionist

## HAWAIIAN AIRLINES HIKES CHECKED BAG FEES MATCHING MAINLAND CARRIERS

[www.hawaiinewsnow.com](http://www.hawaiinewsnow.com)

Hawaiian Airlines announced it is raising checked bag fees for mainland flights. (Hawaiian Airlines/file)

HONOLULU (HawaiiNewsNow) - If you're flying to the mainland with Hawaiian Airlines in the near future, expect to pay a little more if you plan on checking in any bags.

Hawaiian announced Tuesday that it's hiking its checked bag fees for North America flights by \$5 to \$30 for the first bag and \$40 for the second.

The change is effective with tickets purchased or voluntarily changed starting Tuesday, and does not apply to neighbor island flights.

There are also no changes for HawaiianMiles members and Hawaiian Airlines World Elite Mastercard primary card members who have special allowances.

Guests flying internationally may also still check two bags at no charge.

The last time Hawaiian changed bag fees was in 2012.



## WHEN WILL SOUTHWEST FLIGHTS TO HAWAII START?

Last year Southwest Airlines announced they would start flying to Hawaii from California. According to a recent interview, Southwest is still on track to make the first flight before 2018 closes. The airline must first receive clearance from the FAA and Southwest pilots must be trained on the route. When this happens, flight schedules will be announced.

**The first Hawaii flights will depart from these California airports:**

Oakland (OAK)

San Diego (SAN)

San Jose (SJC)

Sacramento (SMF)

**Until intra-island service is available, you will only be able to fly nonstop to the following island airports:**

Honolulu

Kahului

Kona

Lihue



A Southwest Airlines jet landing (Photo by DANIEL SLIM/AFP/Getty Images)

## BED BUGS—NOT!



Maui Sunset has been fortunate not to have bed bug incidents. However, owners travel a lot and need to know how to check for bed bugs in a hotel rooms and condominiums, no matter if they're staying a night in a motel or a five-star resort. If you're worried about bed bugs before you even check in, look up your hotel on this bed bug registry to find out if a hotel has—or has had—bed bugs. You can read more about the risks of bed bug bites there. As we have mentioned in previous newsletters- bed bugs are confused with sand flea bites that are common in Hawaii.

The first place you should check for bed bugs is the most obvious: your hotel bed. Look along the mattress seams and zippers, under the mattress, and at each joint of the bed frame. Make sure to lift each corner of the mattress and thoroughly check for signs. They measure only four to five millimeters, about the size of a standard pearl. They have flat, oval-shaped red or brown bodies, complete with tiny legs and antenna. Since bed bugs typically come out at night, keep a lookout for other tell-tale traces of their presence such as blood and/or tiny white bed bug eggs about the size of a mustard seed or grain of sand. Sand flea eggs cannot be seen by the naked eye and live deep in the mattress when eggs are brought in on legs and feet from beach goers that don't wash the sand off well.

According to the CDC, bed bugs generally live within eight feet of where you sleep. So, check for the same bed bug signs along zippers and covers of the in-room sofa and chairs next. Bed bugs' relatively flat bodies allow them to fit into tight crevices, so look under buttons and at the seams of the furniture.

Important- Don't throw your luggage on the bed or the floor while you're in the process of searching for bed bugs. If bed bugs are present, tossing the suitcase on the floor is an open invitation for them to climb on and in the luggage. Always use the luggage racks that should be provided in all accommodations.

If you suspect bed bugs after any of these steps, tell the hotel front desk immediately and ask to be moved to a different room—specifically, one that isn't directly above, below, or next to the room you're currently in.

## GOOD NEWS FOR MAUI AND TOURISM

Scheduled Non-stop Airline Seats to Kahului Airport and to All other Hawaii Airports Upcoming 3 month period: October - December 2018:						
Airplane Departure City	KAHULUI Airport			All Other Hawaii Airports		
	2017	2018	% Change	2017	2018	% Change
<b>TOTAL</b>	573,444	627,717	9.5%	2,473,484	2,584,037	4.5%
<b>US TOTAL</b>	517,824	562,162	8.6%	1,555,549	1,660,809	6.8%
<b>US WEST</b>	484,228	526,672	8.8%	1,353,160	1,460,560	7.9%
<b>US EAST</b>	33,596	35,490	5.6%	202,389	200,249	-1.1%
<b>INTERNATIONAL</b>	55,620	65,555	17.9%	917,935	923,228	0.6%
<b>JAPAN</b>				481,591	516,025	7.2%
<b>CANADA</b>	55,620	65,555	17.9%	71,890	80,279	11.7%
<b>OTHER ASIA</b>				167,786	115,906	-30.9%
<b>OCEANIA</b>				122,238	132,050	8.0%
<b>OTHER</b>				74,430	78,968	6.1%
* HTA analysis based on scheduled seats from Diio Mi flight schedules as of September 18, 2018, subject to change						
<b>DBEDT Data Source:</b>				<b>Spreadsheet file:</b>		
<a href="http://dbedt.hawaii.gov/visitor/air-seats/">http://dbedt.hawaii.gov/visitor/air-seats/</a>				<a href="#">October-December 2018</a>		



## THE BEST MAI TAI ON MAUI IS STILL AT MONKEYPOD KITCHEN!

Owners asked again for the recipe on the now famous Monkeypod Mai Tai. They use the best possible ingredients and here they are with the recipe:

### The Monkeypod Mai Tai

#### Ingredients:

1oz. Old Lahaina Light Rum  
 1oz. Old Lahaina Dark Rum  
 1/2oz. macadamia-nut orgeat  
 1/2oz. Marie Brizard Orange Curacao  
 3/4oz. fresh lime juice

#### Honey Lilikoi Foam:

1/2 oz. honey  
 1oz. Lilikoi puree  
 1oz. simple syrup  
 1oz. egg whites  
 1½ oz. cold water



Method: Mix foam ingredients well and put in a nitrous-oxide infuser to half capacity. Use 4 charges for a liter sized infuser. Add lime juice, orgeat, orange curacao and Old Lahaina Light rum to mixing glass. Shake with 1 cup cubed ice about 30 seconds and pour into highball glass. Float Lahaina Dark rum. Top with honey-lilikoi foam and garnish with pineapple half moon. That's it.

## HEALTH DEPARTMENT CITATIONS ISSUED IN MAALEA

The Maalaea Village Association has begun discussions among area residents, businesses and governmental entities about the feasibility of a regional wastewater treatment plant to serve the Maalaea community.

Condominiums that line Maalaea Bay have their own wastewater systems, but they are aging and getting difficult to test and maintain. Some condominiums are under enforcement action from the state Department of Health to repair and upgrade their wastewater treatment plants. Cost estimates to do the required work are in the \$1 million range for each project.

The wastewater systems' injection wells are coming under legal scrutiny. Maui County lost an appeal against the federal Environmental Protection Agency earlier this year. This was concerning the county violating the Clean Water Act by pumping treated wastewater into injection wells at the Lahaina Wastewater Reclamation Facility since the early 1980s.

There is a new state law that prohibits the Health Department from issuing permits for the construction of sewage wastewater injection wells unless alternative wastewater options are not available, feasible or practical.

Studies have shown an increase of algae and a decrease in coral in Maalaea Bay. The Health Department remains concerned about the daily volume of injection well discharge into the ocean near Maalaea Bay. The department lists 11 Maalaea properties with injection wells that discharge 86,000 gallons of effluent daily.

The Health Department cited the Hono Kai, Lauhoa Condominium Resort and Maalaea Banyans Condominium between December and February for various deficiencies and or violations of state wastewater system rules.

The current wastewater systems were built in the 1970s and have 1970s technology. And operating the older systems requires a great deal of testing and maintenance.

# COUNTY AWAITS APPEAL OF TIMESHARE TAX RULING

[www.mauinews.com](http://www.mauinews.com)

## Losing lawsuit could mean paying \$34 million in tax refunds, hurt bond and credit ratings

A lawsuit that could cost Maui County \$34 million in property tax refunds is now before the state Intermediate Court of Appeals, county officials confirmed last week.

The county is appealing a decision by 2nd Circuit Court Judge Peter Cahill, who in March issued an order saying the timeshare property tax classification established more than 10 years ago is illegal. He ruled that the tax rate for the classification from 2005 to the present is "invalid and void."

Cahill's ruling stems from a lawsuit filed in 2013 by the Ocean Resort Villas Vacation Owners Association and Ocean Resort Villas North Vacation Owners Association (both involve owners from the Westin Ka'anapali Ocean Resort Villas), along with association officials Vic H. Henry and Peter A. Bagatelos.

The lawsuit is against the county and the County Council over establishing the timeshare category, which has had the highest tax rate. Currently, the rate for timeshares is \$15.41 per \$1,000 of net taxable assessed valuation. It is followed by hotel and resort properties, which are taxed at \$9.37. Homeowners pay the lowest at \$2.85.

The county and the council sought to establish the timeshare class and rate to eliminate tax disparities in Maui's visitor industry between hotels and timeshares, according to court documents.

In his March ruling, Cahill said that, under the Maui County Code, the county may create property tax classifications based only on differences in the use of real property. The code says there is no distinction in the actual use of hotels and timeshares, "because it defines that use in identical terms," Cahill wrote.

He also noted that the only difference between a condominium classified as a hotel and a condominium classified as timeshare is the existence of a timeshare plan, which he says is "a distinction that is irrelevant to the property's actual use."

According to minutes from a court hearing on June 1, Cahill said that if the county loses the appeal the damages could go beyond \$34 million.

He noted that the "\$34 million is just the beginning of the tip of the iceberg here."

According to court minutes, Deputy Corporation Counsel Brian Bilberry said at the hearing that the ramifications of the county losing the case could be devastating. The adverse ruling would damage the county's bond and credit ratings and undermine Maui County's tax code, he said.

The case was brought to the news media and public's attention prior to the general election by individuals and political groups seeking a change in county government. This includes the Maui Miracle, which said in a news release it is devoted to preserving Maui's economic and environmental sustainability by energizing voters. The individuals and groups question why the county did not make the issue more public and did not set aside funds to prepare for the possible fallout from an adverse ruling.

A written statement from the county said that because the timeshare owners did not "follow the law" and file timely tax appeals, the county has been prevented from placing the requested tax refunds into an account for property tax issues under litigation.

Instead, the associations bypassed the normal appeals process and headed straight to court, the county said.

Because of this, the county maintains that the ruling could be overturned. The ruling also could be reversed because Cahill has "no general subject matter jurisdiction over tax disputes." And, by law, all appeals for tax refunds are the "exclusive and special jurisdiction" of the tax appeal court on Oahu, the statement added.

Council Chairman Mike White, who was not on the council when the timeshare category was established but sat on the council as the lawsuit progressed through 2nd Circuit Court, said that the reason the council did not set money aside to deal with possible fallout from the lawsuit is because "we do not feel the lawsuit has any merit."

"We believe we will prevail on appeal."

But when asked where the money would come from if the county were to lose its appeal, White said that "we are going to have to increase the taxes in other classifications."

An emailed statement obtained from the timeshare association attorneys said the Westin Ka'anapali Ocean Resort Villas boards say their owners love Maui and its residents and are "committed to being positive contributors to the Maui community for years to come."

"It is not now (nor has it ever been) our intention to place the county in a serious financial situation by taking legal action against it. We, like any taxpayer, merely sought to be taxed fairly and legally," the statement said.

But association attorneys said they recognize that, because of the litigation, the county's "financial exposure is now significant."

*(Continued on page 20)*

(Continued from page 19)

"Given this, it is our sincere hope that we can settle our dispute amicably and without delay or further litigation, on terms that are financially feasible for the county and significantly mitigate its overall legal risks."

When asked what is the criteria to create property tax categories, the county statement said it is based partly on use, but it's not limited to actual use of property.

The county cites a Hawaii State Constitution amendment in 1978 that gives counties the functions, powers and duties relating to taxation of real property. The county's powers include the formation of basic policies defining real property, setting the basis for assessment, determining the manner in which rates are set, setting exemptions and describing the appeal process.

When establishing property tax categories, the council has historically taken into consideration land use and economic policy, which was recognized by the 1978 Constitutional Convention members as a "vital function" for real property taxation, the county said.

The council looked to establish a class for timeshares when, around 2004, it became aware that timeshares were not paying a "comparable and fair" amount of property taxes to pay for infrastructural impacts on roads, sewers, drainage, water supply and maintenance of the island's urban and recreational landscapes.

The council maintained there were tax loopholes timeshares were enjoying that offered an incentive for hotel conversions to timeshare. The council members believed that the growth of timeshares also threatened a reduction of hotel inventory on Maui, which "is part of the bread and butter of the local economy," the county added.

White, who is also general manager of the Ka'anapali Beach Hotel, said that timeshares offer reduced services than regular hotels, so there are fewer employees at the timeshares than at hotels.

Hotels need to keep up with housekeeping, food service and other amenities daily. But timeshare occupants generally have their own kitchens, and housekeeping doesn't normally service rooms every day, White explained.

White added that other differences between timeshares and hotels include that timeshares are run on a multiple ownership model.

And in the past, White said, he remembered that timeshares that were in the hotel and resort property tax category for many years believed that they should be taxed as residential properties. This also led to examining a separate category for the timeshares.

White said that years ago when he worked on Hawaii island, he knew a man who owned a hotel in Waikiki who went from selling prepaid vacations to converting his property to a timeshare.

The man told White that more money could be made by selling the rooms as a timeshare rather than a regular hotel room sale because he could avoid general excise and transient accommodations taxes.

"This is a financial model that significantly benefits the developers," White said. "But (it) leaves the community with less jobs, less tax revenue and less overall income."

It was only after public meetings and discussions that the council determined that the impacts of the growing timeshare industry warranted the creation of a separate category, the county said. The council also sent a representative to participate with a local task force to gather information about the impacts timeshare use was having on Maui.

The county statement pointed out that "the individual timeshare occupant pays a minimum" fee to a association to help cover the property taxes ultimately paid by the timeshare associations (not the member/owners).

For example, the county said an owner of a \$52,000 to \$75,000 timeshare interval at the Westin Ka'anapali Ocean Resort Villas is assessed by his or her timeshare association "a magnitude of around" \$300 to \$400 annually to help cover real property tax for that interval.

The county said it assesses condominium units for property tax purposes, but it does not assess individual timeshare intervals.

\* Melissa Tanji can be reached at [mtanji@mauinews.com](mailto:mtanji@mauinews.com).



# PEARL HARBOR'S USS ARIZONA MEMORIAL WILL BE OPEN BY MARCH 2019

[www.hawaiiimagazine.com](http://www.hawaiiimagazine.com)

Recent information has come to light on the still closed USS Arizona Memorial, which has been off-limits to visitors since workers first noticed structural damage on the visitor loading ramp this May. However, a posting on the National Park Service website indicates that repairs should be completed by the end of March 2019. This timeline, which provides a clearer end date than others offered by the NPS, is thanks to the completion of the repair project's planning and design phase.

The news is a mixed bag for some, as the memorial will be closed through Dec. 7, which is Pearl Harbor Remembrance Day. "Not being able to welcome survivors and their families on the USS Arizona Memorial this coming Dec. 7 is heartbreaking," says Jacqueline Ashwell, superintendent of the WWII Valor in the Pacific National Monument. "After exploring multiple options, we are working with our friends in the U.S. Navy to hold an intimate ceremony aboard a vessel adjacent to the USS Arizona. The Navy has been our partner every step of the way, and I could not be more grateful for their support."

Although details are unclear as to how elaborate this ceremony will be, NPS is hoping it will allow survivors and family members to pay their respects. This private ceremony will run in conjunction with a larger ceremony at the Pearl Harbor Visitor Center.



## SUNSCREEN LAW PASSES

Maui lawmakers joined Governor David Ige on Tuesday signing Senate Bill 2571 into law.

The bill bans any sunscreen containing oxybenzone in Hawaii to help preserve the state's coral reefs and marine ecosystems.

The bill, which bans the sale, offer of sale, or distribution of any sunscreen that contains these chemicals, includes an exemption for prescriptions issued by a licensed healthcare provider.



## DESPITE LOCAL DISASTERS, TIMESHARE OCCUPANCY ROSE THROUGH SECOND QUARTER

According to the Star-Advertiser -

The Hawaii Tourism Authority reported that occupancy of timeshare properties statewide averaged 91.5 percent in the second quarter, up from 89.9 percent in the same April-June period last year. Timeshare owners are sometimes described as more resilient tourists because they already have paid for their lodging, which encourages them to visit. By comparison, statewide hotel occupancy, including condominium hotels, was 80.6 percent in the second quarter, up from 79.3 percent a year earlier.

## CLASS ACTION LAWSUIT FILED OVER HOTEL STRIKE

CRAIG T. KOJIMA / CKOJIMA@STARADVERTISER.COM

A North Carolina doctor and his wife have filed a class-action lawsuit against Marriott International and Kyo-Ya Hotels & Resorts for not telling them that the workers in their hotel were on strike before they came here on their honeymoon.

Dr. Ovais Inamullah and Sana Khalique booked a five-night stay at The Royal Hawaiian for \$2,391 and arrived on Oct. 29. By that time the strike was about to enter its fourth week.

Inamullah and Khalique said they were never notified of the strike prior to their arrival. They said the hotel still charged them full booking price even though they were provided no housekeeping, valet parking, room and pool attendant services and very limited to no on-site restaurant and bar service.

The couple is suing on behalf of themselves and all other travelers who were guests at the affected hotels from Oct. 8, the first day of the strike, to the end of the strike and were never notified of the strike at the time they booked their rooms or prior to their arrival at the hotel.

The strike continued Thursday as union and hotel negotiators met to discuss their differences. Bargaining began around 9 a.m. Thursday and was still ongoing at 7 p.m., with more talks planned for today.

Honolulu attorney Bridget G. Morgan filed the lawsuit for Inamullah and Khalique in state court Thursday.

"By charging full prices without telling people that they won't get all of the services, these hotels are taking consumers' hard-earned money under false pretenses," Morgan said.

A representative for Kyo-Ya said the company was not aware of the lawsuit and had no comment.

No representative from Marriott responded to requests for comment.

Kyo-Ya owns The Royal Hawaiian, Moana Surfrider, Sheraton Waikiki and Sheraton Princess Kaiulani on Oahu and Sheraton Maui Resort & Spa on the Valley Isle.

Marriott operates and manages the hotels for Kyo-Ya. The union said Thursday it was down to its last but most important bargaining goals: obtaining a a four-year contract with improved housekeeping workloads and "big money."

Local 5 spokesman Ikaika Hussey said Thursday's bargaining was proceeding without an apparent end in sight.

"It's going very well and spirits are high," Hussey said.

Marriott International CEO Arne M. Sorenson said this week he did not expect the strikes — which are occurring at 21 of the chain's hotels in six North American cities — would have a "material impact" on fourth-quarter earnings.

"This is out of a portfolio of 6,700 hotels. We have been negotiating in good faith for many months, and we are making progress. We have already reached tentative agreement on national issues, and we have reached a number of local settlements," Sorenson said.

"Just this weekend we welcomed our associates back to work after contract settlements in Oakland and Detroit. We hope to welcome more of our associates back to work soon," he said. Sorenson said associates working at the 21 strike-affected hotels have been "steadfast in their commitment to our guests."

Marriott is also grateful to "the associates across Marriott who have stepped up to work at hotels impacted by strikes, including thousands of people who have traveled from other cities to help."

## BRUNO MARS TO DONATE 24K THANKSGIVING MEALS TO PEOPLE IN NEED IN HAWAII



Bruno Mars is making sure thousands of needy residents in his native Hawaii will be well-fed this Thanksgiving. The R&B singer-songwriter is planning to provide 24,000 meals to people in need in Hawaii to celebrate the completion of his "24K Magic World Tour," according to the Associated Press. Per the article, Mars has already "donated money for the food" to Salvation Army's Hawaiian and Pacific Islands Division, which offers a yearly meal program for impoverished families. The "Versace on the Floor" artist gave his generous announcement after finishing the last of three consecutive shows at Aloha Stadium in Honolulu on Sunday (November 11). "Let's have a good time tonight Hawaii! Most important-

ly, let's show love and aloha to everyone driving down and attending the concert. I've missed you all and I can't wait to perform and sing on the island I call home," Mars wrote in a social media post shouting out his home state Thursday (November 8). The Grammy Award winner kicked off his 200-date world tour in March 2017 in support of his third studio album, *24K Magic*, which released in 2016. Supporting acts on Mars' tour have included Ciara.

[www.iheart.com](http://www.iheart.com)

## USING ARTIFICIAL INTELLIGENCE TO TRACK HUMPBCKS

[www.hawaiipublicradio.org](http://www.hawaiipublicradio.org)

Artificial Intelligence has been used for everything from teaching computers to play chess to helping speed ride-sharing services on their way. And now one government agency is using it to track humpback whales in the Pacific. For more than a decade, the National Oceanic and Atmospheric Administration has been tracking whales by recording them. But there are challenges - like the sheer volume of data. Researchers have to sift through years of audio. Literally. Years. "So far we've collected over 170,000 hours of data. Let's put that in real terms. If you were to sit and listen straight, not sleeping, not eating, taking no breaks, it would take you 19 years to listen to all that data," says Ann Allen, a research oceanographer with NOAA's Cetacean Research Program at the Pacific Islands Fisheries Science Center.

Her job is to basically find out the health and status of whales and dolphins around the U.S. Pacific Islands and across the Pacific Ocean. Part of her job is to work with all that data. When Ann first started working at NOAA, she told her dad about the hundreds of terabytes of data she had to analyze.

"His response was 'Well, why don't you just get those Google or Shazam people to do it. They learn or can identify human song, I bet they can do it with whale songs.' And I was a bit taken aback at that. I was like, 'But that's not . . . But we don't do it . . . huh.' So I went out and looked into whether these Google people would be interested in our data, and they were actually really enthusiastic. They have a lot of machine learning, and artificial intelligence techniques that they developed for their commercial purposes. They were really excited about putting to use on our scientific data set."

Ann sent Google hard drives full of humpback whale songs. Humpbacks are difficult to identify because unlike

other whale species, their songs (or the way the communicate) can change. So instead of clicks or grunts, you'll get something that includes growls, high-pitch whistles, and something that sounds like a moan.



So Google, with the help of Ann, used artificial intelligence to recognize and identify various sounds -speeding up the process of analyzing the hundreds of thousands of hours of audio. "So machine learning is different than normal programming. In that instead of teaching the computers step-by-step to do a task, it's actually learning like a human would. By giving examples of humpback calls, it starts to recognize what's a humpback whale, and what is a ship or other noise, and starts to pick those out from the data. "Right now, this is still a pilot project. But Ann says it's showing promise. "This would actually be pretty revolutionary for our field. And it would make it much easier for us to address a lot of questions that have been pressing in the last few years. Especially towards conservation. I know that Google is very interested in whether or not it could be applied to reducing ship strikes for whales."

Ann says she hopes the collaboration between NOAA and Google will continue, and that a tool can be developed to identify other species and data sets. While AI may sound to some like the early stages of computers taking over the world, Ann is not among them. "I definitely don't worry about the machines taking over our whale data. It's actually really going to help me do my job, and get back to doing what I'm good at. Rather than trying to program myself."

8:52 AM  
11/13/18  
Accrual Basis

The AOA of Maui Sunset  
Profit & Loss Budget Overview  
January through December 2019

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	<u>Jan - Dec 19</u>
Ordinary Income/Expense	
Income	
4001 · Maintenance Fees	1,671,454.08
4005 · Late Fees	100.00
4101 · Electricity Income	390,000.00
4105 · Electricity Owners	-390,000.00
4305 · Concession Income	76,200.00
4310 · Activities Desk Commission	6,000.00
4320 · Kayak Storage	2,500.00
4330 · Storage Rental	18,500.00
4501 · Interest Income	20.00
4550 · Other Income	1,500.00
Total Income	<u>1,776,274.08</u>
Gross Profit	1,776,274.08
Expense	
5100 · Payroll and Benefits	536,483.00
6100 · Repairs and Maintenance	267,605.68
7000 · Utilities	372,957.76
7100 · Administration	599,227.64
Total Expense	<u>1,776,274.08</u>
Net Ordinary Income	<u>0.00</u>
Net Income	<u><u>0.00</u></u>

**The AOA of Maui Sunset**  
**Profit & Loss**  
For the Ten Months ended October 31, 2018

	<u>Oct 18</u>	<u>Jan - Oct 18</u>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
4001 - Maintenance Fees	131,404.72	1,314,047.20
4005 - Late Fees	25.00	50.00
4101 - Electricity Income	-51,402.01	383,564.21
4105 - Electricity Owners	-35,366.13	-373,424.57
4305 - Concession Income	6,350.00	63,500.00
4310 - Activities Desk Commission	525.00	4,850.00
4315 - Soda Income	0.00	121.77
4320 - Kayak Storage	100.33	893.30
4325 - Front Desk Internet	0.00	200.00
4330 - Storage Rental	1,529.84	14,964.40
4501 - Interest Income	0.94	9.22
4550 - Other Income	0.00	1,564.70
<b>Total Income</b>	<u>155,971.71</u>	<u>1,410,340.23</u>
<b>Gross Profit</b>	155,971.71	1,410,340.23
<b>Expense</b>		
5100 - Payroll and Benefits	85,770.98	451,989.64
6100 - Repairs and Maintenance	19,116.47	202,362.16
7000 - Utilities	30,737.38	300,014.02
7100 - Administration	41,381.25	435,588.84
7705 - Special Project	0.00	16,900.00
<b>Total Expense</b>	<u>177,006.08</u>	<u>1,406,854.66</u>
<b>Net Ordinary Income</b>	-21,034.37	3,485.57
<b>Other Income/Expense</b>		
<b>Other Income</b>		
8001 - Reserves-MF Allocation	20,619.00	206,190.00
8005 - Reserves-Interest Income	131.50	5,237.94
<b>Total Other Income</b>	<u>20,750.50</u>	<u>211,427.94</u>
<b>Other Expense</b>	<u>1,151.31</u>	<u>439,888.60</u>
<b>Net Other Income</b>	19,599.19	-228,460.66
<b>Net Income</b>	<u><u>-1,435.18</u></u>	<u><u>-224,975.09</u></u>

## FUTURE MEETING SCHEDULE

### MAUI SUNSET MASTER ASSOCIATION:

MEETINGS WILL BE HELD AT ST. THERESA - 25 W. LIPOA ST, KIHAI, HI 96753

Annual Homeowners Meeting	January 25th, 2019	8:30 AM
First Quarter Meeting	January 25th, 2019	11:30 AM
Second Quarter Meeting	May 3, 2019	8:30 AM
Third Quarter Meeting	August 16, 2019	8:30 AM

**All owners are welcome to any meeting.**

Aloha,



Ed Meyer  
Director and Communication Committee Chairperson

Lindsay Meyer - Publisher



POSITION	NAME/ADDRESS	PHONE/FAX	TERM ENDS	COMMITTEE ASSIGNMENTS
President and Treasurer	Sandra Hooper (Joe) 27678 Avenida Maravina Cathedral City, CA 92234	Cell: 401-500-2183 <a href="mailto:sandra.hooper2012@gmail.com">sandra.hooper2012@gmail.com</a>	2021	Chair - Insurance
Vice-President	David Courson (Robin) 1032 S. Kihei Rd B505 Kihei, HI 96753	Res: 808-879-8872 Cell: 808-298-7145 <a href="mailto:coursonmaui@msn.com">coursonmaui@msn.com</a>	2021	Chair - Internal & Public Relations Human Resources Amenities
Secretary	Jack Wetherall, J.D. (Linda) 1485 Majestic View Drive McCall, ID 83638-0263	Res: 208-634-1342 <a href="mailto:jwetherall@gmail.com">jwetherall@gmail.com</a>	2019	Chair - Timeshare Liaison Rules & Regulations
Director	Scott Graves, Ph.D. (Janet) 1032 S. Kihei Rd A317 Kihei, HI 96753	Cell: 425-344-2398 <a href="mailto:scttgraves@gmail.com">scttgraves@gmail.com</a>	2021	Chair - Grounds Security
Director	Dr. Harry Hecht (Karen) 1032 S. Kihei Rd B116 Kihei, HI 96753	Res: 808-264-9294 Cell: 510-376-4230 <a href="mailto:hechtkh@gmail.com">hechtkh@gmail.com</a>	2019	Co-Chair - Building Committee
Director	Ed Meyer (Lorrie) 26861 N. 104th Pl Scottsdale, AZ 85262	Cell: 206-499-5403 <a href="mailto:ed@mauisunset.com">ed@mauisunset.com</a>	2020	Chair – Communications Committee Newsletter Beach Committee Member: Harry Hecht Webmaster and Co-Chair Communications: Steve Meyer
Director	Leagh Randle (Vicki) 2670 Blokker Rd Nanoose Bay, BC, Canada V9P 9E8	Cell: 780-446-1080 <a href="mailto:leaghrandle@gmail.com">leaghrandle@gmail.com</a>	2020	Co-Chair - Building Committee
General Manager	Kari Davis 1032 S. Kihei Rd Kihei, HI 96753	Office: 808-879-0674 Cell: 808-264-4088 Fax: 808-879-0676 <a href="mailto:gmmauisunset1032@gmail.com">gmmauisunset1032@gmail.com</a>		General Manager
Front Desk	Summer Jago, Office Manager  Makayla Jago	Office: 808-879-0674 Fax: 808-879-0676		Office Hours: Mon-Fri: 8am - 9pm Sat 9am - 6pm Sun 9am - 5 pm
Night Watchman	Christ Hoerner Larry Conlu	Cell: 808-298-9291		Hours: 6pm - 4am



Maui Sunset  
1032 S. Kihei Rd  
Kihei, HI 96753