

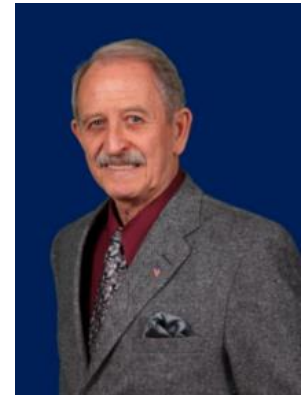
“Helping To Build Stronger Community Associations on Maui”

A Message from the President

Aloha CCM Members & Supporters,

We hope you had the opportunity to experience or to speak with one of the many attendees at our April Seminar titled “Disaster Readiness: Preparing for the Aftermath.” Marilyn Chapman assembled a panel of experts who covered everything from how to deal with asbestos, lead, and mold to trauma, the characteristics of disasters and many case studies. As always, the Q & A was lively and filled with great questions from the attendees. Our special thanks to the experts at ENPRO Environmental & Premier Restoration Hawai’i. Our next seminar will be on September 14th which is our annual “Legislative Update” led by Chris Porter, Esq. Chris always brings us several experts, besides himself, to explain the latest changes to the Hawaii Revised Statutes. This is your opportunity to get solid legal interpretations of the law and insight into what may be coming in the future.

June 2018



Do not forget to have November 16th set aside for our annual Seminar & Trade Show which will focus on “How to Bring Your Aging Building into the Future.” Lisa Cano will have a terrific panel of experts to help guide your future decisions on improving your property. Our vendors will bring you the best and latest products to help your Association keep your property in top shape.

Tom Boomer is leading the Manager’s “Summer Hot Topic” lunch program. He has William Bennett, CEM, speaking about how important monitoring Association hot water systems is to energy conservation. Please have your Site or Resident Managers set aside July 19th (on Westside at The Whaler) or July 20th (on Southside at The Whale Foundation). Go to our website at www.ccmmaui.org for more details.

Please welcome Eunise Kunishige (ccmmaui@hotmail.com) to CCM as our new Seminar Coordinator. The Board at CCM wants to wish everyone a wonderful Summer and a safe & fun trip for those of you who may be traveling. Our hearts and prayers go out to all those affected adversely by the continuing eruption on the Island of Hawaii.

Mahalo Nui Loa!!!!!!!!!!!!!!!!!!!!!!

Warmest Aloha!

Al Andrews



Visit our website
www.ccmmaui.org



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April 2018 Seminar



We had a great seminar in April regarding disaster preparedness. We typically think of natural disasters such as hurricanes and tsunamis, and ensuring we are prepared for those. This April Seminar covered other kinds of disasters that Associations and Communities need to be prepared for. CCM Director Marilyn Chapman assembled a panel of experts who covered everything from how to deal with asbestos, lead, and mold to trauma and more. Mahalo to our panelists Kenton Beal and Danielle Kornfeind of ENPRO Environmental and Anthony Nelson of Premiere Restoration Hawaii for their insightful presentations.



Above: CCM President Al and Directors bid a fond farewell to Seminar Coordinator Jan McGee. We are grateful for all of Jan's efforts and the great job she did for CCM.



Mahalo to all of our Platinum Sponsors and their continued support of CCM and our mission.

Above: Jan is seen here with our new Seminar Coordinator Eunice Kunishige who has hit the ground running. We are very excited to welcome her onboard!



Special mahalo to Platinum Sponsor, Associa, who sponsored breakfast pastries and fruit for CCM. It was well received by all. Mahalo to those who generously provide awesome drawing prizes at our seminars as well. FUN!

The lunch is always great. We get many positive comments about the battered fish. Yumm! Great food, good company and opportunities to network, gain useful information, and a day out of the office. What more could you ask for? Right: The CCM Board Directors have fun and have good laughs together when they aren't hard at work planning the next seminar and talking shop.



Property Spotlight: Honua Kai Resort

By: John Young, General Manager

Honua Kai: The makings of a 700 unit, 39 acre resort (or as I like to call it, our “dry-docked cruise ship”)

Aloha from Honua Kai,

This property has been 9 physical years in the making, with many additional years involved in planning and 2 more years scheduled to complete the 4th and final phase of the complex; 72 Three-Bedroom townhomes in what will be called the Luana Gardens portion of the complex. Honua Kai consists of 4 sections:

- Hokulani Tower
- Duke’s Restaurant
- Konea Tower
- Luana Gardens

When the project is finally finished it will be 700 units. However, as this is a condominium project & 50% of the units are 2 & 3 bedrooms, it is more like 1,225 units if you compared it to a resort complex like the Hyatt or Marriott, for example.

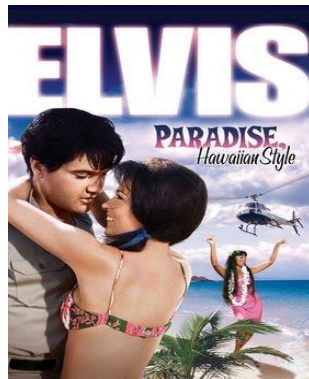
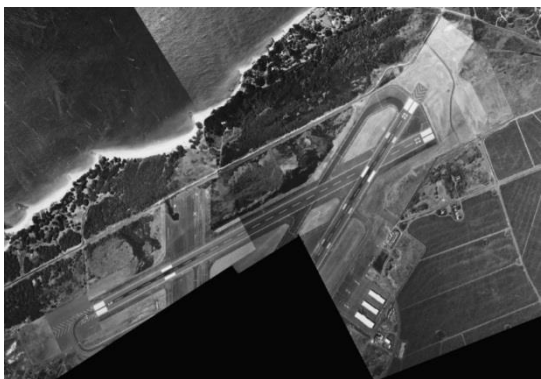
Duke’s runs breakfast, lunch and dinner, and although I don’t have factual numbers it’s not hard to imagine at least 500 covers/day as a realistic benchmark. Additional amenities include a spa, deli, Whaler’s general store, photo shop and multiple concierge stations located throughout the resort.

This is all accompanied by 4 pools, 7 hot tubs, numerous koi ponds and waterfalls throughout the property. When Luana is completed, the pool tally will be 10 and somewhere around 15 hot tubs, all sitting on 39 oceanfront acres.

For those of us who have been around for a while, we can fondly remember when this was scrub brush, kiawe trees and the longest remaining stretch of pristine, undeveloped beach on the island. Going back even farther, when oceanfront was not considered ‘valuable’, the original Kaanapali airport operated here (giving way to the current “Old Airport Beach” park just down the beach from our complex).

Remember this?

And this? This was one of the locations for *Paradise Hawaiian Style*...



Oh how times have changed. Honua Kai is the third and final project on North Kaanapali Beach, following Ka'anapali Ocean Resort (KOR) and the recent completion of Westin Nanea. Our final piece is expected to take 2 years to complete.

Here are a few shots of the making of a mega resort: (dare I say mega, or should it be monster? 😊)



Model of entire complex when it is finished



Artist rendition of the Luana portion now under construction



So what does this mean for the GM for the next 2 years?

- Water main, gas line and power outages from punctured/ruptured lines
- Upset owners and guests on a daily basis
- Maui's famous red dirt and dust all over everything despite the best of watering efforts
- Mud tracked everywhere when mother nature tries to assist with dust remediation
- Noise complaints, early starts, late finishes and weekend work (Can you say; "You ruined my vacation?")
- Curious buyers looking for info the real estate agents were too lazy to provide (😊)
- Contracting, staffing, security and safety
- Did I mention noise complaints?

Regardless, this too shall pass and before we know it the finishing touches on Honua Kai Resort will be complete and we'll be back in the full-time business of making Maui dreams come true, because at the end of the day this is what this business is really all about, the business of making memories. Aloha...

Cast Iron Pipe Failure Warning Signs

By: Joseph Higgins, PE

Principal & Hawaii Operations Manager

Do you own, manage, or maintain a property that is 35 years or older? The number of piping failures in buildings 35 years and older has greatly increased in Hawaii; and as an owner or property manager, there are warning signs that can notify you of a plumbing drain problem. One of the most prevalent failures we see are cast iron piping failures, which can leak wastewater, cause damage to units below, and create some unusual sounds. Here are some warning signs of a piping failure:



Warning Signs & How to Find Them:

1) Look – Conduct regular visual inspections of the property. Cast iron piping can be a difficult system to inspect because the pipes are generally hidden above ceilings and behind walls. The pipes are exposed in most parking structures. Look for water or seepage on the face of the pipes and at joints. Look for pinhole weeps or even cracks in the piping.

2) Listen – Gurgling plumbing fixtures on lower floors can be an indicator that the vent system connected to the waste piping is clogged.

3) Sniff – The smell of sewer gas within the building is an indicator that the cast iron system has a break; releasing gases that should be vented to the outdoors.

4) Escalating frequency of repairs – If you are calling for repairs with greater frequency, this is a red flag that there is a larger problem.

5) Increasing insurance premium – If your Insurance carrier increases your premium due to previous cast iron failures, this is another warning sign that you are in need of major repairs.

6) No warranty – Finally, if you are not offered a warranty on replacement parts or repairs, this is a red flag. The repairs you have received are a temporary “patch”.



Plumbing systems are designed to allow the proper drainage of water out of a building to the county and city water treatment systems. There are two types of water draining systems in most buildings – storm water and wastewater. Wastewater systems contain sewer gases and storm water systems do not. A wastewater system is designed to vent sewer gases to the outdoors through a pipe, which passes through the roof. This same pipe also allows air to enter the system when water is draining.

Both storm and waste piping systems operate like a drinking straw. If you place your thumb over the drinking straw when water is in the straw, the water will not leave the straw. Air must flow in, before water can drain out. The weight of the wastewater leaving the building, will find air even if it has to pull air through plumbing fixture traps, causing a gurgling noise.

When a plumbing fixture drains, the wastewater first passes through the trap. The trap is a “U” - shape pipe that holds water sufficient to prevent sewer gas from entering the building. At the outlet of the trap is a tee in the pipe, which points up and down. Wastewater flows down and out of the building by gravity. Air is pulled in through the pipe connected to the up side of the tee at the trap. A storm drain system does not contain a trap and cannot be connected to any system, which does contain a trap. This is how your plumbing system works in a very basic and broad sense.

Should you experience any of the warning signs first discussed above, your drain system is failing to do its job. Your first step to understanding drain failure issues should be contacting a local mechanical consultant to evaluate the global condition of the piping. Consultants design a systematic approach to finding a fact-supported conclusion. Contractors make repairs, but should not be relied upon to give an expert opinion, which can result in thousands to millions of dollars in repairs.

A proper assessment of the cast iron pipe condition will require looking at sections of pipe. Some sections of cast iron pipe will need to be removed to assess the remaining life. Industry standard requires ten percent of the units participate in selective removal of cast iron pipe samples.

In some assessments, the lack of observable failure does not support a global condition conclusion. It is then necessary to send sections of cast iron to a mainland lab for analysis. No lab in Hawaii has the equipment to perform microscopic analysis of cast iron piping. The lab will then report the remaining life of the cast iron tested to the consultant. Your consultant will then use their observations, combined with the lab analysis, to make a recommendation to the owner.

Case Study 2033 Nu'uanu Tower

Allana Buick & Bers, Inc. (ABBAAE) was retained to perform a limited assessment of the waste and vent of 2033 Nu'uanu, which is a reinforced concrete structure reportedly constructed in 1972. The building is a 90,000 square feet, 27-story, 72-unit multi-family residential tower. The apartment tower sits over the parking garage floors and a ground floor recreation area.

ABBAAE conducted a cast iron pipe assessment over an eight-week period. Sections of cast iron waste, vent, and storm drainpipe, as well as, sections of copper domestic water supply pipe were removed. In order to perform the assessment, unit owners volunteered to allow us to cut into the walls to extract small sections of the hiding the plumbing. Prior to cutting the wall it was determined that asbestos fibers were present in the drywall joint compound, which is not unusual in Hawaii buildings constructed pre-1980's.

The extracted cast iron pipe sections displayed failed couplings, hairline cracks which penetrated the wall of the waste pipe, a 2" hole in the wall of a vent pipe (sewer gas odor), and holes in the threads of galvanized drain pipes serving plumbing fixtures.

Repairs included the replacement of the cast iron drain, waste and vent systems, cast iron roof drain system, asbestos abatement associated with wall cutting, application of code required fire stopping, and replacement of toilets with locally mandated water conservation toilets. The AOA also benefited from an ongoing list of improvements while the walls were open, which would not have been accomplished under a repair as need plan.

ABBAAE prepared repair documents as the mechanical engineer of record suitable for permitting and bidding purposes and managed the competitive bidding process. ABBAAE's construction management services during the construction phase included managing the intrusive nature of the project and complex scheduling with the contractor and residents who remained in their units during the piping repairs.



AUTHOR BIO:

Joseph Higgins, PE is a Principal and the Hawaii Operations Manager of Allana Buick & Bers (ABBAAE), a leading architectural engineering firm. He has over 30 years of experience with the engineering, installation, and service of building mechanical systems. He is responsible or supervising all projects throughout the Hawaiian Islands. ABBAAE has offices in Honolulu and Kihei. Contact us at (808) 538-0117 or email infohawaii@abbae.com.

What You Should Know - Asbestos in Building Materials

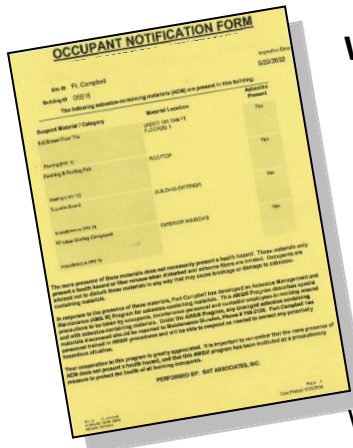


The Asbestos Bans

Everyone has a guess, but most are wrong. Under the Clean Air Act, spray-applied surfacing ACM for fireproofing/insulating ('73) and for decorative purposes ('78) have been banned. Pre-formed pipe and boiler insulation ('75) were also banned. Under the Toxic Substances Control Act ('93) five types of paper containing asbestos and any new uses were banned. NOT BANNED - transite, pipeline wrap, roofing felt, floor tile/mastic, shingles, pipe, coatings, gaskets, drywall, joint compound, sink coatings, and all uses in commerce before 1993, i.e., most all previous uses continue. Consequently, the construction date of a building does not mean there are no asbestos-containing building materials and there are almost 4,000 different types of asbestos materials used in buildings.

Who's Regulated

OSHA requires all building owners/property managers to notify tenants, employees and contractors of the presence of asbestos-containing building materials in all commercial buildings constructed prior to 1981. Building owners/property managers may have a survey conducted or declare all suspect materials to contain asbestos. Presumed asbestos materials then become regulated.



Work performed in single family homes and multi-tenant buildings having less than four units is not regulated by EPA or the State of Hawaii. However, OSHA regulations still apply in these residences. All commercial/institutional properties and other residential properties are regulated by EPA, State of Hawaii Dept. of Health (DOH) and OSHA. DOH has strict notification requirements. In addition, there are strict requirements by all three regulatory agencies and the Department of Commerce and Consumer Affairs for those companies and individuals performing abatement or cleanup.

What's New – Emergency Responders Awareness



There is heightened asbestos awareness among emergency response/remediation companies. They know that before performing demolition (or even disturbing materials) in response to a flood, mold growth, or a fire, to have accredited, licensed professionals sample and test for the presence of asbestos. Remediation and restoration contractors do not want to be accused of cross-contaminating a property with asbestos. They realize that the penalties and liabilities are too severe.



Randy Herold is president of ENPRO Environmental, a statewide firm specializing in indoor air quality, environmental due diligence and hazardous material assessments. He can be reached at 748-2121.

Collection & Foreclosure 101 for New Directors or Property Managers Serving Condominium & Community Associations

We just wrapped up a new annual meeting season! Kudos to new directors who volunteer to serve on the condominium or community association boards, and property managers who are diligently preparing for reports and mailing packages, and attending all the meetings.

Most associations need to deal with unit owners' delinquencies on assessments. Property managers often work with legal counsel to collect such debt for associations or foreclose on delinquent units. Directors need to know the basics on Association collection and foreclosure in order to fully understand the association's collection progress reports.

An association needs to follow any procedural steps set forth in the Declaration or Bylaws or adopted collection policy before turning over any delinquency account to its legal counsel. The association's counsel can advise you if the relevant provisions in your project documents are outdated and help the Board adopt a suitable overall collection policy.

The legal counsel or managing agent, as a debt collector, is bound by the federal law to send a 30-day written notice meeting specific requirements to a delinquent owner to verify the debt. The Association collection process is also subject to the automatic stay and shall comply with the federal bankruptcy law once a debtor files for bankruptcy.

Condominium and community associations have a statutory lien right against a delinquent unit for the amount of assessments owed by such unit. An association should record the lien in the Bureau of Conveyances or Land Court to further preserve its creditor's rights. A condominium association's lien has priority over all other creditors' liens except for government liens for real property taxes and liens for any mortgage of record with an earlier recordation date. A community association's lien priority is usually determined based on the lien recording date as compared with other creditors.

Despite that, a lender or other third party purchaser, who obtains title to a delinquent unit as a result of lender's foreclosure, has a statutory obligation to pay the association a special assessment in an amount up to six months regular monthly common assessments during the period immediately preceding completion of the lender's foreclosure.

Like a mortgage lender, an association can foreclose on its lien against a delinquent unit either by judicial action or the alternate power of sale process. The latter is usually less time/money consuming and more efficient; however, no association may use the nonjudicial route to foreclose a lien if the delinquency arises solely from fines, penalties, legal fees, or late fees. Judicial foreclosure or pursuing a personal judgment would be the only options for such circumstances.

The statutes provide that a unit owner who disputes the amount of an assessment needs to pay first and then exercise the right to demand for mediation or arbitration, though there were special occasions where judges exercise discretion to make exceptions. A delinquent unit owner is responsible for all costs and expenses, including reasonable attorney's fees, incurred by or on behalf of the association for collection or foreclosure against such unit.

If your association has properly adopted relevant written policies under the statutes, you may also collect rents from the tenant of a delinquent unit after giving advance written notice to the unit owner, or terminate the

delinquent unit's access to common utility services or common elements after giving required notices to the unit owner and the first mortgagee.

Finally, in the case of a voluntary conveyance, the grantee of a delinquent unit shall be jointly and severally liable with the grantor for all unpaid association assessments. So it is important for realtors and escrow officers to ensure sellers are current on association assessments before closing on any unit in a condominium or planned community.



Hope this article is useful to directors, officers, and property managers who are new to the association business. If you have any further questions, please feel free to contact attorney Na Lan of the law firm Damon Key Leong Kupchak Hastert at (808) 526-3617 or nl@hawaiilawyer.com.

Community Organization Spotlight Ka Lima O Maui



We can all agree that a paycheck provides dignity, respect and self-reliance. Ka Lima O Maui, a private Not for Profit organization has been putting paychecks in deserving hands since 1955. The agency is a community-based vocational rehabilitation program providing job training and employment opportunities for persons with disabilities. One of Maui's oldest non-profit organizations, they are also its largest employer of persons with disabilities.

"Enhancing Lives Through Self-Reliance"

Truly an extension of our community, Ka Lima was originally conceived to help tuberculosis patients rehabilitate through learning new skills and craftwork and has since expanded to serve a greater population of persons with disabilities in need of job training. What began as a simple sheltered workshop now includes countywide grounds and custodial contracts, as well as formal job placements within private business.

It is our mission to provide training and employment, as well as the support necessary for our clients to enjoy sustained success in the workplace. We use real work opportunities to achieve this goal. Annual service contracts with private entities and the County of Maui departments of Parks and Recreation, Fire and Police account for many of our largest projects and work crews in ground and custodial services. These services constitute the agency's largest department, providing training and employment for over 65 persons with disabilities. We have thirteen work crews out daily, providing on-the-job training at over 80 different locations.

For clients who seek employment in different areas of interest, Ka Lima's programs provide job training, job coaching and job placement. A customized employment approach using an intense discovery process is followed to assist the participant into successful employment. Clients can be seen working at various businesses throughout the community such as Home Depot, TJ Maxx, Safeway, Foodland, Sheraton Maui Resort & Spa, and Gate Gourmet, just to name a few. Ka Lima also teaches pre-employment classes to special education students at Maui High School and Baldwin High School. The curriculum covers topics such as how to get along with co-workers and supervisors, what to

Community Organization Spotlight Cont'd Ka Lima O Maui

expect on the job, attendance and punctuality, hygiene, resumes and applications and interviews. The course culminates with a paid 6 week internship at a business in the community.

For adults with developmental disabilities, Ka Lima operates a successful Medicaid Waiver program. These services are dedicated to enhancing the quality of life of persons with intellectual and developmental disabilities through self-reliance and support of individual needs and exploration. The agency currently has over 20 participants enrolled in their Medicaid Waiver services learning basic living skills through participation in domestic lessons, self-advocacy, pre-vocational activities, and community integration.

Ka Lima continues to be at the forefront of empowering persons with disabilities through employment related programs. Every October, they organize an Annual Job Fair that focuses on persons with disabilities. Over 35 employers participate in the job fair that is attended by over 200 job seekers. The entire community is invited to attend.

To sum it up, Ka Lima O Maui helps persons with disabilities become contributing members of our community by focusing on the “ability” in disability!



A Fiscal AOA & Association Epidemic

In my 24 years of performing accounting for and auditing of Owner’s Associations of all kinds, I have never seen what is occurring right now in Hawaii. Here is a partial list of things our Firm is working on right now:

1. Self-managed Association with a husband and wife who have check signing authority and sole possession of the detailed fiscal records and have denied access to owners. And the Association has never been audited! And no cash verification either.
2. Association’s bills are not being paid for 6 months and the accounting and financial statements are behind as well.
3. Many unannounced cash verifications spanning various Association management types cannot be completed. Normally we do these in just a few hours.
4. Routine audits taking up to a year to perform due to missing records, unknown accounting transactions and very little cooperation. Normally, audits are done within a few months after year-end.

These types of issues are affecting self-managed Associations, professionally managed Associations, large and small Associations and across the Islands. It’s like an epidemic of unaccountable fiscal management.

In my opinion, like a public response to a health epidemic, we all need to help solve this problem. There is a reason the State of Hawaii requires all Associations of Apartment Owners with more than 20 units to have an annual audit and unannounced cash verification. There is a reason that Boards of Directors make budgets and get financial statements every month. So that owners can be assured that their maintenance fees are protected and used as intended.

So, as a quick check-up, I suggest Boards of Directors do the following as soon as possible and certainly by the end of Summer 2018:

1. Get the latest fiscal information:
 - a. Balance Sheet
 - b. Income Statement – budget to actual
 - c. Bank Statements - ALL BANK ACCOUNTS and INVESTMENT ACCOUNTS
 - d. Bank Reconciliations – All of them.
 - e. Accounts Receivable report – Aged
 - f. Accounts Payable report – Aged.

2. Look at them! Here is what you want to check:
 - a. Date of Bank Statements should be the last closed month and available to you within a week or two of month end.
 - b. Date of Balance Sheet and Income Statement. They should be a month old. In other words, if you request them on the 15th of June, you should have the April 30 financials in your hands. It takes about a month or so to close the books. 2 months would need a good reason. 3 months or more is unacceptable.
 - c. The bank reconciliation balances should match the bank balances on the balance sheet.
 - d. The accounts receivable and accounts payable report balances should also match their corresponding balance sheet amounts.
 - e. Look for anything that appears unusual to you or unexpected to you. Ask and find out why.

3. Update your signature cards for bank accounts for the current, authorized board members who should be signers. Obtain bank statements directly from the bank if not provided to you timely.

The Board of Directors are legally responsible for the fiscal activities of the Association, including those to whom duties are delegated. ALSO, owners should help the Board if they can. I recommend owners request and receive the last completed audit and unannounced cash verification. These reports are done to give the Board and Owners some assurance that things are OK. If audits and cash verifications are not being done, what assurance do you have?



In years past, these types of problems were rare; but now, it is becoming an epidemic and requires the owners and board members to get involved to make sure your fiscal house is in order.

John D. Carbonaro, CPA

PLANNING: EARTHQUAKE & TSUNAMI

From the Desk of Craig Tanaka, President, Ka'ana'ikepono, LLC

The recent volcanic and seismic activity on the Big Island have brought on questions on planning for a potential tsunami situation in Hawaii, specifically Maui.

At the Maui Emergency Preparedness Conference on October 17, 2012, we shared sample Emergency and Shelter-in-Place “manuals” to augment and provide ideas on existing plans and processes. Following is the specific tsunami section of those manuals.

Tsunami Specific Threat

A tsunami is a series of ocean waves generated by a sudden displacement of large volumes of water. Tsunami may be caused by a large seismic event (earthquakes). Not all earthquakes generate a tsunami. To generate a tsunami, the fault where the earthquake occurs must be underneath or near the ocean, and the earthquake must cause significant vertical movement of the sea floor over a large area. Shallow focus earthquakes along tectonic plate subduction zones are responsible for the most destructive tsunami.

Destruction from a tsunami is the direct result of three factors: inundation (or flooding), wave and debris impact on structures, and erosion.

A tsunami is not one wave, but a series of waves. Destructive waves may continue for a number of hours, and several days may pass before the sea returns to its normal state. The first wave in the series may not be the largest.

The approach of a tsunami may also be preceded by a rise or recession of coastal waters. A tsunami can wrap around islands and damage can be worst on coasts on the lee-side that face away from the source of the tsunami.

Potential Sources of a Tsunami

Local sources – There is potential for earthquakes occurring within the Hawaiian Islands – especially on or off the coast of the Big Island. A tsunami, if generated, would arrive in minutes to the neighboring islands.

Distant sources – Distant earthquakes have the potential to generate tsunamis which can affect Hawaii. The most recent that have put us on alert have occurred in Japan, Chile, Samoa and Alaska. The difference is that there may be some time to prepare before the first wave is projected to impact Hawaii.

Tsunami Watch/Warning Bulletins.

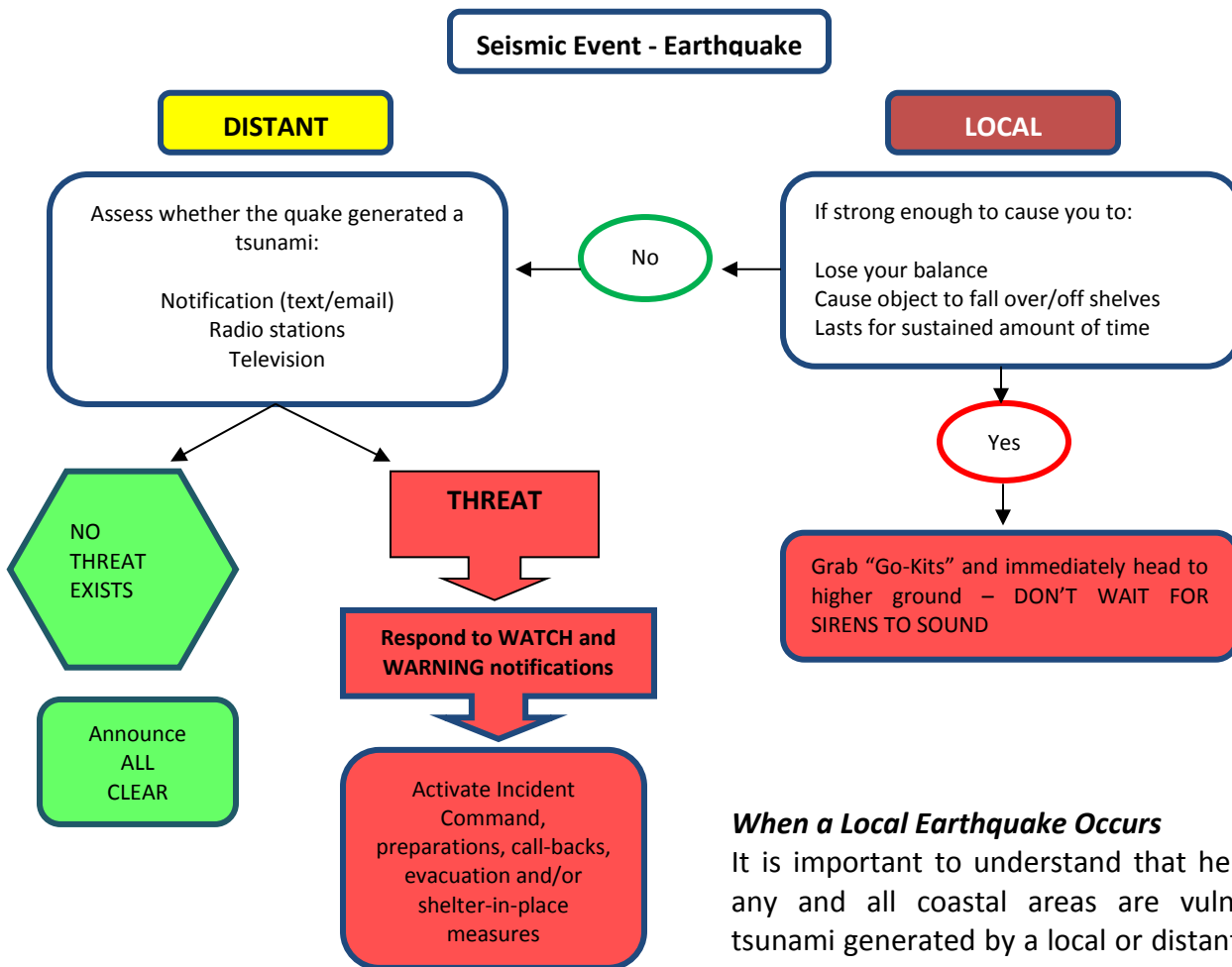
Tsunami Information Statement. Issued following an earthquake to describe the potential for a tsunami event. In most cases, this will indicate there is no threat. May be superseded by a Tsunami Watch or Warning.

Tsunami Advisory. Issued for areas not currently in either warning or watch status when a tsunami warning has been issued for another region of the same ocean. An Advisory indicates that an area is either outside the current warning and watch regions, or that the tsunami poses no danger to that area. This will be superseded by a Tsunami Watch, a Tsunami Warning or a cancellation.

Tsunami Watch Bulletin. Issued when a seismic event may have caused a tsunami and is being investigated. For areas that lie within three hours of estimated time of arrival, a warning is in effect. For those areas that are between 3 and 6 hours, a watch is in effect. This will be superseded by either a Tsunami Warning or a cancellation.

Tsunami Warning Bulletin. The highest level of alert. Issued when a tsunami is imminent or has been confirmed. It will be followed by additional bulletins until it is cancelled. This will not estimate the size of the tsunami but will estimate times or arrival at key locations.

A sample, typical “flow” of a site Tsunami incident/alert Situation



When a Local Earthquake Occurs

It is important to understand that here in Hawaii, any and all coastal areas are vulnerable to a tsunami generated by a local or distant tsunami. As a wave approaches the shore, it builds in height based on the topography and ocean floor.

And as there is no earthquake or tsunami “season,” the potential for flooding (inundation) always exists. The compression of time is of concern with a locally generated tsunami.

The triggers to act when a local earthquake occurs differs from facility to facility, team to team. Some things to consider as your trigger(s) to act and evacuate:

- If the quake causes you to fall or requires you to hold on to prevent from falling.
- If the quake lasts for several seconds, or longer.
- If the quake causes items to fall/knock over.
- If there is noticeable recession in water away from the shoreline this is nature's tsunami warning and it should be heeded. You should move away immediately.

Some Considerations When a Local Earthquake Occurs

Follow your company and site procedures. To help provide further practices:

- Don't wait for an official siren warning.
- Refrain from gathering and packing items...leave, NOW!
- Move to high ground or inland immediately.
 - If in a building and sheltering in place is part of your plan, evacuate vertically to at least the fourth floor or higher.
 - Car/vehicle evacuation may not be possible, feasible, or safe...evacuate on foot.
 - Grab your emergency kit (if available) and leave immediately.
 - Tune into NOAA Weather Radio or your local radio station for information.
 - Do NOT return to the area or near water sources (beach, rivers, etc.) until emergency management officials say it is safe to do so.

Finally, to reiterate, all coastal areas of the Hawaiian Islands are vulnerable to inundation by a tsunami, as stated by The Pacific Tsunami Museum:

“As tsunami waves approach islands, they encounter shallower depths which cause the waves to bend or refract. The bending (refraction) means that tsunami waves may wrap completely around an island causing inundation even on the side of an island farthest from the area of tsunami generation. Tsunami wave refraction may result in smaller waves in some areas and larger waves in other areas. Tsunami waves may also be reflected off coastal areas with steeply sloping shorelines. These reflected waves may combine with incoming, refracted, or other reflected waves to produce large wave run-up in unexpected places. No matter where a tsunami is generated, all sides of our islands are at risk.”



Craig Tanaka has been working in security with the hospitality industry for thirty years, the last 21 years in the capacity of an Assistant or Director of Security/Loss Prevention. He is a State of Hawaii PVL/DCCA Board Approved Security Guard Training Instructor and President of Ka'ana'ikepono, LLC. He may be contacted at kaanaike@gmail.com.

Choosing the Right Pollution Insurance

You've probably read countless headlines about the havoc wreaked on property owners by toxic mold and other contaminants. These harmful agents range from molds to fungi to invasive bacteria and can lead to serious symptoms including headaches, eye irritation, cough, asthma and other respiratory problems. When a harmful pollutant is found, the damage can be considerable and costs can add up quickly. Here's a quick look at how far-reaching the impact of building toxins can be:

Illness. While employee illness would be covered by workers' compensation insurance, surrounding residents and communities could be subject to negative health effects from toxins unearthed or introduced during construction.

Clean-up costs. If an environmental problem is identified, the contractor or developer may have to assume responsibility for cleanup and restoration.

Defense costs. Building developers and contractors may find themselves at the center of an expensive lawsuit due to alleged contamination.

Reputation damage. The reputation of the company can suffer from negative publicity, leading to increased difficulty in attracting employees and loss of future revenue.

To protect against these expensive exposures, Pollution Liability Insurance should be explored by both developers and contractors. Finding and vetting these types of policies can be difficult, so it's best to work with a broker or agent with experience in this area. Unlike other types of insurance that are required—for example, workers' compensation (required by law), general liability insurance (required by licensing boards), or property insurance (required by lenders)—pollution insurance is generally not mandatory. Therefore, remembering to carry this important coverage can slip through the cracks. If you are in the construction business, it is essential to find the right coverage and to avoid some of these possible pitfalls along the way:

Beware of exclusions. Some policies may have exclusions for things like mold, mycotoxins, or *Legionella*. Be sure the coverage you choose is as broad as possible to cover the unexpected.

Include pre-existing conditions. Just like the old story with health insurance, pollution policies are usually written to only cover new problems, not pre-existing ones. If appropriate, your policy can be applied to both.

Check length of coverage. The statute of repose for construction defects in Hawaii is 10 years, so developers and contractors can be held accountable for problems a full decade after project completion. Your coverage should therefore be written with a 10-year tail.

Review covered parties. It is critical to ensure that every portion of the job is covered. Although the developer may have pollution insurance, coverage may not specifically include contractors, who may also have uninsured exposures.

Get the right coverage. There is a big difference between site pollution and construction liability. Be sure you know what you are purchasing and that it is relevant and complete for your situation.

Despite all these caveats, the good news is that the market for pollution insurance has been relatively soft in recent years. Excess capacity may create some great opportunities for your broker to negotiate a better deal, say, by including ancillary coverage areas like crisis management or a more generous allowance for legal defense costs. It's definitely worth your while to take a deep dive into these areas before committing to a particular carrier or policy. +



Dylan Nakano has over 10 years of experience in the insurance industry working with many of the largest developers and general contractors doing business in the state of Hawaii and California. Prior to joining Atlas in 2016, he focused on wrap-up programs, brokering and overseeing wrap-up administration (general liability, workers comp, builder's risk, environmental, professional) on real estate projects in excess of \$5 billion in hard construction cost.

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E Komo Mai Eunice!

Getting to know Eunice Kunishige, our new CCM Seminar Coordinator. A message from Eunice: *I was born and raised on Maui and grew up in Lahaina. I am married and have 2 adult sons who were also born on Maui. We moved to Las Vegas, Nevada in 2003 and while there, I worked as a Real Estate Agent and a Conference Coordinator.*



As a family, we enjoyed doing outdoor activities which included hiking, camping, fishing and dirt biking. Maui has always been home to me and is where I would like to retire. I have been back now for 5 years and work in the hospitality industry at a condominium property. I am also excited to be a part of the Community Council of Maui. My favorite activities include playing golf, watching golf and spending time with family.

Welcome to the CCM Ohana, EUNICE!

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2018 SAVE THE DATES

We hope to see you at the remaining **2018 CCM seminars**. You will receive emails from CCM in advance of all seminars with instructions and reminders to register. Please be on the lookout and don't miss the deadlines.

Summer Hot Topics: Energy Conservation

Lessons Learned by Monitoring Condo Hot Water Systems
Discussed will be the types of water heating and their reliability, purchase and operating cost, and maintenance expense. Monitoring will be demonstrated and lessons learned from the monitoring data.

Space is limited. Please register by email at cmmmaui@hotmail.com. First come, first served so register early!

West Side: July 19, 11:30am - 1pm

The Whaler on Ka'anapali Beach, 2481 Ka'anapali Pkwy, Lahaina

South Side: July 20, 11:30am- 1pm

Hawaiian Islands Humpback Whale Sanctuary, 726 S. Kihei Rd, Kihei

September 14

November 16

Legislative Update

Technology & Tradeshow

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