

A Message from the President

June 2019

Dear Members,

Summer is here! And some of you may be prepping for Budget Season. Our Reserve Study seminar gave all of us marching orders to review, update and fund our assets. Our Insurance seminar listed pointers to ensure the asset is covered in case of a peril. Maintaining and insuring are huge components to the budget. Having accurate information will prevent overages on your expenses and allow owners to "pay as they use" the common elements.

Summer means Hot Topics! Our Director Emeritus, Tom Boomer will be coordinating these one-hour *FREE* lunch sessions in Kihei and Lahaina. The topic for July is **Water/Weather Proofing: Doors & Windows**. Hot Topics are free and start at 11:30 AM. The Lahaina session is on Thursday 7/18 at the Whaler in Kaanapali, and the Kihei session is on Friday 7/19 at the Humpback Whale Sanctuary on South Kihei Road. Email messages with signup information will be sent as we get closer.



The State Legislative Session is over, and many new laws have passed affecting associations. The Legislative Update seminar on September 13th will review and inform us of the changes to governance of associations. SB1288, Act 14 permits associations to use electronic voting devices when the bylaws require a secret ballot. Some associations have several different common interests and can take hours to tally votes. Steve Glanstein, our local Parliamentarian stated, "For many years condominium associations conducted elections at meetings that simply took too long to count. Some results were later found inaccurate because paper ballots with multiple percentages were susceptible to error." Mr. Glanstein went on to state the four basic requirements to vote electronically:

- a) The board must establish reasonable procedures to provide secrecy and integrity
- b) A printed audit trail must be maintained
- c) The printed audit trail must be available to owners in the same manner as meeting records are currently available
- d) Procedures established by the board must be available to owners at no charge and available at any meeting in which an electronic voting device is used.

We wish all of you a happy and safe summer and we will see you in September!

A Hui Hou,

Lisa Cano

Welcome to the Community Council of Maui (CCM)

Originally formed in 1991 as The Condominium Council of Maui (CCM) and now known as The Community Council of Maui (CCM), we are committed to hosting regular meetings to provide the opportunity for association members to exchange information, share experiences, form ideas and reach solutions. We offer a forum for educational programs that feature recognized experts in Condominium and Community Association affairs for the benefit of each property and individual owners. With our established relationship with State agencies, our Board of Directors remains up-to-date on newly proposed and enacted laws that affect associations and its owners.

"Sharing Knowledge for Community Association Management and Governance in Maui"

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THE SCOURGE OF YELLOW BRASS IN PLUMBING FITTINGS

Is Zinc in the Brass Fittings Too Much of a Good Thing

Modern plumbing systems for potable water are generally comprised of either copper or Pex tubing, with copper pipes still being the top of the line accepted standard and Pex now promoted as more durable and easier to install. Pex is now a building-code approved plumbing line, with each brand having their own International Code Council (ICC) approved report. Properly installed, the lines and fittings of different manufacturing systems are not interchangeable. Pex has been promoted by its various manufacturers as being so robust they can't even test it to failure, as one manufacturer claims. It is easy to install as it's both somewhat flexible and does not require a skilled plumber to solder the joints with a torch.

However, Pex is also notorious for failures of the system, and it's not the plastic pipe, but rather the multiple fittings holding the system together. The culprit is the use of yellow brass as the alloy from which the fittings are made. The problem with the yellow brass is it tends to corrode when exposed to water. Not a good thing for plumbing! Some water more than others. No yellow brass fittings are acceptable, yet some are still on the market.

The key problem is dezincification of the metal alloy. These Pex systems can be found in multiple locations in plumbing systems in single family homes, detached, multi-family apartments or condominiums, as well as high-rise structures. Yellow brass is also likely a major component of valves and other plumbing assemblies in high-rise buildings.

In addition to Pex, the fittings on the plastic water supply lines connecting to the washer, sinks, tubs, and toilets have historically been made of yellow brass. Even if you see a plastic coupling or nut, under it generally is a yellow brass assembly. Likely it is corroding.

What is dezincification of yellow brass? It's simply the process of dealloying, with the basic metals separating themselves from the designed alloy. The zinc is dissolved and depleted, leaving behind a weak, copper rich porous fitting.

Generally, yellow brass is any alloy of copper and zinc where the zinc content is higher than fifteen percent (15%). Typically, in Pex plumbing fittings it has been as high as thirty-five (35%) zinc and sixty-five percent (65%) copper. With the implementation of Federal standards to require no lead in plumbing lines fittings have been modified. Most manufacturers have reduced the zinc to eighteen percent (18%), some much higher; but one water line connector manufacturer took out the lead resulting in even a higher percentage of zinc.

Dezincification occurs when excessive proportions of zinc are used—anything greater than fifteen percent (15%) is unacceptable. The higher the zinc content, the greater the susceptibility to dezincification. Rather than this article delving into the atomic structure of the metal, and an analysis of alpha and beta brass particles in the duplex brass, what happens is the zinc dissolves out of the metal alloy, leaving behind a porous network of a weak, copper rich alloy. As it corrodes it often generates a meringue which is white, often with a greenish tint. The remaining brass then takes on a reddish tint.

The meringue forms outside the fitting as leaks start. It's a sure sign of dezincification. The meringue is not only an indication of a weakening fitting, but also in many circumstances the meringue forms inside the fitting itself, obstructing the waterway and compromising the internal moving parts. Meringue is not always formed but is common.

So, why use more zinc...because it's cheaper than copper. The spot price for copper on the London Metal Exchange as of December 2018, is \$2.78 per pound and zinc is at \$1.21 per pound. The more copper the plumbing fitting manufacturer replaces with zinc, the more money they save. A United States penny is in fact ninety-eight percent (98%) zinc with a copper coating.

Dezincification of yellow brass is not new and has been known to be an inappropriate plumbing alloy for more than seventy-five (75) years. Rarely was it used since the 1960's, but for reasons not fully understood, the awareness of the failures of yellow brass seem to have been lost to the industry; many imported products integrating yellow brass and U.S. manufacturers have specified it. Pex manufacturers often considered themselves plastic pipe suppliers and not metallurgists, used yellow brass.

Either the entire fitting may be yellow brass and dezincification causing leaks or water flow restrictions, or the internal components can and will dezincify restricting proper operation of the valves.

The only way to remedy the dezincification problem is to remove and replace the yellow brass components, either the fitting or valve itself, or internal yellow brass components if they can be accessed for service.

The takeaway, owners should consider having an experienced plumber or mechanical engineer inspect the system and look for telltale signs of yellow brass corrosion. Experienced experts generally know where yellow brass is likely to have been used. Builders, contractors, and manufacturers can often be held liable for manufacturing and installing defective products, an experienced attorney can often assist in obtaining a recovery. Here on the Island tens of millions of dollars have been recovered for owners to replace defective yellow brass.



New to the Board? Practical Tips for Productivity & Success!

By: Debi Balmilero
Executive Vice President
Hawaiiiana Management Company, Ltd.

Are you a newly-elected director on a condo or community association board? Hawaiiiana Management Company would like to offer some simple tips for successful and productive service to your association.

Always Be Prepared. The board meeting is your opportunity to make decisions on issues that pertain to your property, so it is important that you be prepared for those meetings.

Familiarize yourself with your association's documents. To begin with, you should familiarize yourself with your association's documents - the articles, bylaws and CC&R's, which stand for Covenants, Conditions and Restrictions. These documents are like the "constitution" of your property, and all board actions must be in line with these important documents.

Read your Board Packet. About one week before every meeting, your Management Executive will mail a board meeting packet to the board members and building manager. Please take the time to read the material, take some notes on the issues, and be ready to discuss and vote on issues at the meeting.

What Happens at the Meeting? Information dissemination and discussion: The board meeting will normally include discussion of the previous meeting's minutes, monthly financials, committee and building manager reports, unfinished and new business, and executive session items which pertain to delinquencies, legal and personnel matters, and on occasion contracts.

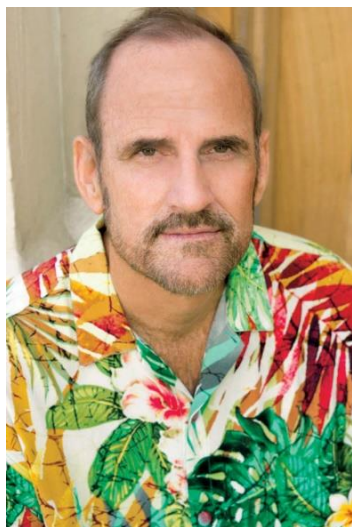
Decision Making: The board makes decisions and establishes policies, while the management (your site manager and managing agent) will implement your decisions. It's important to remember that you, as a director, also have an important fiduciary responsibility to do what is in the best interest of the association, meaning all of the owners. Other than the monthly board meeting, the board is not involved in day-to-day implementation of your decisions—the site manager and managing agent will take care of that for you.

Importance of Attendance: Board meeting attendance is important, and we will need a specific amount of board members to reach a quorum. If we do not have a quorum, then no business can be conducted, thus the meeting is postponed to another date.

The Role of Your Managing Agent: The managing agent's job is to help guide the board to make decisions that are in the best interest of the property and all of its owners. Your managing agent is there to provide information on any pertinent property issues, past practices or decisions of the board. He or she can offer an objective point-of-view, which can assist the board's analysis of the issue at hand. Working on your behalf of the board, the managing agent encourages the board to think not only about the obvious items before them, but also about things that are not readily apparent, or may occur before they make a decision. In every respect, your management executive is intent on helping the board be successful. If we offer a different point-of-view from you or another board member, it is only for the purpose of giving you additional information to consider, and assist the board to make the best decision possible!

You are a member of a team. The board has a specific responsibility, as specified in your bylaws. The site manager and managing agent also have specific roles and responsibilities that support the board, and serve as a means to implement the board's decisions. It is very important that each member of the team (board, building manager, managing agent) perform their specific roles, so that the team can be successful.

Best of luck on your journey as you serve on the board of directors for your association. May it be a productive and rewarding experience!



What should you expect from your Association Management Company?

By: Mike Hartley

President

Hawaiiiana Management Company, Ltd.

Running a condo or community association is like running a business – it should be a well-oiled machine, with all the parts functioning correctly. There are legal concerns, administrative functions, accounting requirements and personnel issues. The responsibility of an association management company is to assist its clients – each property

and its board of directors – to run their property as efficiently as possible, maintaining or increasing property values, limiting risks, and creating a positive and pleasant living environment for its residents.

A management company's responsibilities fall under two basic functions: guidance and support. While specific budget, personnel, or other issues can be decided solely by the board, a management company should provide the information and help needed to make these important decisions, and get the job done. To that end, the management company should provide a dedicated team which includes a management executive, an administrative assistant an accountant and, when needed, a payroll specialist. In addition, there should always be a "back up team," who is familiar with your property, should any of the primary team members be away.

Your management executive is the first line of service to the client. He or she provides guidance to the board of directors in an advisory capacity, and should be the "go-to" person when the board has questions or concerns. In addition, the management executive:

- Provides support and guidance for the site manager
- Prepares an annual budget to assist board members in finalizing their actual budget
- Prepares a long-term budget and reserve monies guide
- Makes property inspections
- Supervises maintenance of the common elements
- Facilitates enforcement of house rules, bylaws and declarations, as directed by the board
- Organizes and attends the annual meeting as well as other scheduled meetings
- Prepares agenda for board meetings
- Provides parliamentary guidance to the meeting chair when needed
- Prepares actions checklist after meeting
- Facilitates communication with owners, whether by email, letter, newsletter, or other means
- Handles risk management by soliciting insurance bids, and coordinating coverage and claims for the property

Your management company provides fiscal and accounting functions. These include:

- Providing a dedicated
- accountant and back-up accountant
- Compliance with state and federal law regarding fiscal matters
- Maintenance of bank accounts and fiduciary responsibilities
- Preparing maintenance fee coupons and billing statements

- Preparing monthly financial reports
- Processing invoices
- Enforcing delinquency reporting and collection system
- Making required tax payments
- Sending fiscal mail-outs

In addition, associations with payroll and benefits as part of their contract should have a dedicated payroll specialist, a benefits specialist and a human resources consultant available.

- The payroll specialist will prepare AOA payroll and prepare employee payroll taxes
- Insurance and other benefits can be handled by the benefits specialist

Your managing agent should provide a dedicated administrative assistant who works in concert with the management executive. Administrative functions include:

- Maintaining property files and records
- Standard mail-outs
- Maintaining the owners' listing
- Maintaining change of ownership

While the primary fiduciary responsibility for a property rests with its board of directors, their managing agent should assist them in making the very best decisions for the property – not only for the present, but for the long term.

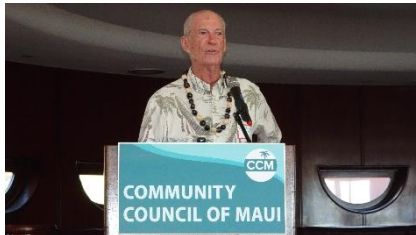
Mike Hartley joined Hawaiiiana Management Company in 2007, and has served as president since 2010. He has over 30 years of experience in both residential and commercial property management. Hawaiiiana is Hawaii's largest association management company, with over 725 properties under contract, on six Hawaiian islands. Hawaiiiana serves the island of Maui with an office in Kihei and a new West Maui Satellite Office. For more information, please call (808) 593-6827, or email meleh@hmcmgt.com.

May Seminar Photos





The May Seminar “Permitting” showed us the future of document submission. Hopefully, “This is Why it took so Long!” and the new software will lessen the time for approvals.



ASSOCIA HAWAII BOARD MEMBER SPOTLIGHT



KEVIN RATHBUN, PRESIDENT, OCEAN POINTE COMMUNITY ASSOCIATION HONORED BY HAWAII HOUSE OF REPRESENTATIVES

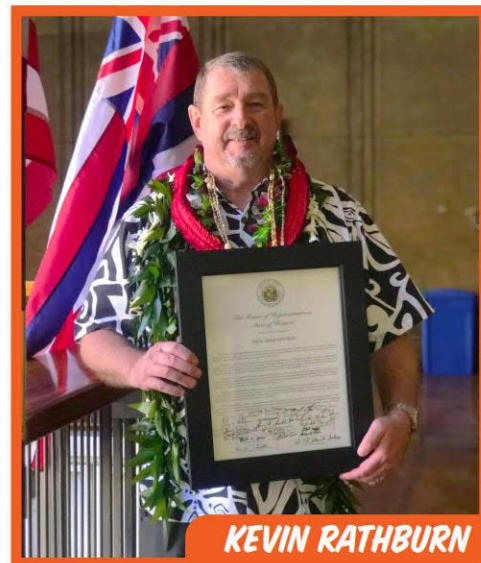
Longtime Community Association leader and retired Navy veteran, Kevin Rathbun, was recently honored by Hawaii's House of Representatives for his services to the country, the community and the State of Hawaii. Rathbun said, *"I truly appreciate receiving recognition for my volunteer efforts. I have always believed that giving of yourself and 'paying it forward' to your community is important and makes it better for those who live there. Receiving the Proclamation in front of the entire House of Representatives was one of the most humbling moments of my life!*

A large part of my community service is my involvement with HOA Management Companies. I have worked with all of the large ones and when it comes to the best, Associa Hawaii is the one. Their customer service, professionalism and attention to detail is what sets them apart from the rest.

ASSOCIA HAWAII IS ALWAYS MY FIRST CHOICE FOR HOA SERVICES AND I HIGHLY RECOMMEND THEM!"

KEVIN M. RATHBUN R, CDPE

- President, Ocean Pointe Community Association
- President, Ke Alohi Kai Community Association
- Realtor, Certified Distressed Property Expert, Ewa Pointe Realty
- Command Master Chief, United States Navy, Retired
- Board Member and Chair, U.S. Vets
- Board Member, Poi Dogs and Popoki
- Founder and Board Chairman, First Tee of Hawaii
- Board Member and VP, Hoakalei Charities
- Former Chair and Member, Ewa Neighborhood Board
- Member and Vice Chair, Honolulu Neighborhood Commission
- Member and Volunteer, Ewa Beach School Community Council



*Photo Courtesy of Kerrie Prowse,
President, Ke 'Aina Kai Comm. Assn.*

FOR MORE INFORMATION ON ASSOCIA HAWAII'S AWARD-WINNING SERVICES CONTACT

Kristina DiFazio | Director of Business Development | 808.837.5242 | kristinad@associahawaii.com

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"Helping to Build Stronger Community Associations on Maui"

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We appreciate your support!



Doug Leffer, CMCA
Director, Maui
Operations

Hawaiiana is Maui's #1 Association Management Company

Hawaiiana Management Company, Ltd. currently has over 100 properties under contract on Maui, Lanai and Molokai. Maui County clients include Andaz Wailea Hotel, Aina Nalu, Sugar Beach Resort, Wailea Golf Estates and the Hotel Hana-Maui Condominiums. In addition, Hawaiiana manages several associations on the island of Lanai including Villas at Koele Phase II and Terraces at Manele Bay, plus Molokai's Wavecrest Resort and Molokai Shores. Hawaiiana's Maui County Associations are served by a total of 16 Management Executives and the industry's most experienced accounting, administrative and technical property management staff.

Hawaiiana recently opened an office on the west side of Maui, which will serve as a satellite office to their main office in Kihei. With 27 associations already under management in West Maui, Hawaiiana's west side office will be of great service to both existing and future clients.

Debra Adams Senior Management Executive	Craig Bode Management Executive	Massy Cashen-Suguitan, CMCA Management Executive
Steve Chopek Management Executive	Marilyn Chapman Management Executive	Leslie Dougherty Management Executive
Janice Eisler Management Executive	Carol Genz, CMCA Management Executive	Doug Jorg Senior Management Executive
Lisa Kahoe Management Executive	April Lum, CMCA, AMS Management Executive Office Coordinator, West Maui	Penny Munroe, CMCA, AMS, PCAM Management Executive
Marc Udoff Director	Kathy Wong Senior Management Executive	

(808) 270-3218 X899
doug@hmcmtg.com
www.hmcmtg.com

Why choose Hawaiiana?

- Serving over 100 associations in Maui County
- Local (vs. mainland) banking
- All employees are in Hawaii

Maui County Clients:

- Aina Nalu
- Cottages at Kulamalu
- Emerald Plaza Place
- Haiku Town Acres
- Hale Kai
- Hale Kamaole
- Hokuani Golf Villas
- Hololani
- Honokowai East
- Honu Alahele
- Ho'olea Terrace at Kehalani
- Ho'olei
- Ho'onanea at Lahaina
- Hotel Hana Maui Condominiums
- Island Sands
- Kaanapali Plantation
- Ka'anapali Royal
- Kahana Village
- Kahoma Village
- Kahului Ikena
- Kalama Terrace
- Kaleialoha
- Kamalani
- Kamani at Kehalani
- Kamaole Beach Royale
- Kamaole Grand
- Kamaole Heights
- Kamaole One
- Kana'i A Nalu
- Kanani Wailea
- Kanoe Resort
- Kapalua Golf Villas
- Ke Aii'i Ocean Villas
- Keala o Wailea
- Kehalani Community Association
- Kehalani Gardens
- Kepuhi Beach Resort
- Kihei Beach Condo
- Kihei Garden Estates
- Kilohana Kai Vistas
- Kilohana Waena
- Koa Resort
- Kua'aina Ridge
- Kulamalu HOA
- Lahaina Roads
- Lanai City Apartments
- Lanikeha
- Luana Kai
- Ma'alaea Banyans
- Ma'alaea Kai
- Ma'alaea Mermald
- Ma'alaea Surf
- Ma'alaea Yacht Marina
- Mahanalu Nui HOA
- Mahina Surf
- Mahinahina Beach
- Makali'i at Wailea
- Makena Sunset
- Maluhia at Wailea
- Maui Lani Terraces
- Meadowlands HOA
- Milo Court at Kehalani
- Milowai-Maalaea
- Molokai Shores
- Na Hale O Makena
- Napili Point Resort, Phase I
- Napili Point Resort, Phase II
- Napili Bay
- North Shore Village
- Opukea at Lahaina
- Pacific Shores
- Paiki Maui
- Paradise Ridge Estates
- Pohalani Maui
- Pu'unoa HOA
- Royal Kahana
- Sandhills Estates HOA
- Southpointe at Waikoa
- Sugar Beach Resort
- Summit at Kaanapali, Phase I
- Terraces at Manele AOA
- Terraces at Manele Bay, Phase IV
- The Ironwoods at Kapalua
- The Office Centre
- The Palms at Manele, Phase I
- The Vintage at Ka'anapali
- Valley Isle Resort
- Villas at Kahana Ridge
- Villas at Koele, Phase II
- Wailea Beach Resort & Residences (Andaz Hotel)
- Wailea Ekahi
- Wailea Golf Estates
- Wailea Golf Estates II
- Wailea Golf Vistas
- Wailea Highlands
- Wailea Kai Homesites
- Wailea Kialoa Homesites
- Wailea Puulani Estates
- Wailele Ridge
- Wailuku Heights Ext. Unit II
- Waiolani Community Association
- Waipulani
- Wavecrest Resort

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Emeritus: Tom Boomer

We hope to see you at the remaining **2019 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. *If you have any suggested topics for 2020 CCM Seminars, please let us know.*



Upcoming Seminars:

Summer Hot Topics – Waterproofing: Windows & Ceilings

September 13 – Legislative Update

November 8 – Roofing / Trade Show



PLEASE NOTE OUR NEW EMAIL AND WEBSITE:

new email info@ccmmaui.com

website: www.ccmmaui.com



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