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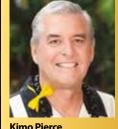
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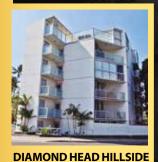


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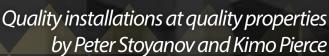


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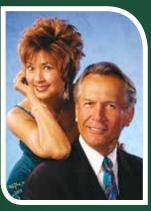
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Welcome to Our Calamity Issue



It was late last year that the *BMH* staff sat down to plan the editorial calendar for 2017. This is not an absolute story schedule, but more of a guide to topics we want to cover. Among the categories listed for the August-September issue was "building calamities."

Condo calamities, of course, can come in all sorts of forms—leaky pipes, leaky roofs, spalling falls. Little did we know that Hawaii's worst high-rise disaster in memory, the Marco Polo fire of July 14, would give a new meaning to calamity.

But the worst events often bring out the best in people, and that was the case with the fire. As our story "Helping Hands" details, members of IREM volunteered in shifts in the lobby of the Marco Polo in following days to help frightened and confused residents. That is the best of building management.

In this issue we also look at more

traditional "calamities," and how to best handle them, as well as legal issues. That includes our lead feature on Jane Sugimura, the "queen of condo law" in Hawaii.

Our feature "Cable Wars" covers a luncheon at which representatives from the new Spectrum and Hawaiian Telcom pitched their cable service. It was tense.

And by all means check out Brandon Bosworth's great look at pets in condos. Many of Hawaii's new luxury developments are pet friendly.

Mahalo,

Don

Don Chapman Editor Building Management Hawaii



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Hawaii's Original Condo and Cooperative Buildings Choose Hawaiiana

What do the owners and stockholders of Hawaii's original condominiums and cooperatives all have in common? They all choose Hawaiiana Management Company, Ltd. as their managing agent.



Diamond Head Ambassador, Hawaii's First Cooperative

Hawaii's first cooperatives were developed starting in 1956 with Diamond Head Ambassador. Five years later, Hawaii's first condominium association project was completed at 2957 Kalakaua. In addition to serving the first two associations at Diamond Head Ambassador and 2957 Kalakaua, Hawaiiana Management Company serves the majority of Hawaii's original condominium associations and co-operative corporations.

Hawaiiana is a kama'aina company founded in 1964, shortly after the advent of residential cooperatives and condominiums. Today, 53 years later, many new property management companies have come and gone, but Hawaiiana continues to thrive as Hawaii's largest and most award-winning association management company.

Nuuanu Terrace is a 36 unit boutique condominium built in 1962. Del Sylvester has been President for many years and said, "I know that Hawaiiana manages the biggest condo buildings in town, but I can personally attest that Hawaiiana does just as great a job serving small properties as they do large properties. Our management exec is just great. He is responsive and follows up promptly. He cares about our property just like an owner would. Thanks Hawaiiana!"

Don Persons serves as Board President of Kainalu-one of Hawaii's original cooperatives corporations said, "For more than 20 years I have served on half a dozen Hawaii condo, co-op, residential and commercial boards of directors and have worked with nearly every condo association management company. Hawaiiana is #1 in my book-our building is one of the original Gold Coast Waterfront co-ops built in 1958. We are undergoing the largest construction project we have ever done. Hawaiiana is there every step of the way helping with vendors, contracts, payment schedules and coordination with our residents. Hawaiiana's employees are all kama'aina, they bank locally, they pay our association's bills and produce our financial reports on time."

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- 5. Timely production of client financial reports



"I can personally attest that Hawaii does just as great a job serving small properties as they do large properties." Del Sylvester, President, Nuuanu Terrace.



"Hawaiiana is #1 in my book!" said Don Persons, who serves as Board President of Kainalu. Kainalu is one of Hawaii's original cooperative corporations.





mediation between condo owners and associations, as well as a new YouTube series for owners and building managers By DON CHAPMAN | Photos by NATHALIE WALKER

ost condominium homeowners would be shocked, attorney Jane Sugimura believes, to learn that every other year they're being charged \$10 to pay for dispute resolution—mediation and arbitration services.

"That's every condo unit in the state," says Sugimura. "Do the math. It's a lot of money."

It goes into the Condo Education Fund (which falls under the state Department of Commerce and Consumer Affairs), and she believes it has been under-used. Too often, she says, boards ignore requests for mediation or arbitration when unit owners have a complaint. With Sugimura's prodding, the state legislature in its latest session gave some teeth to previous legislation declaring that condo associations "shall" provide mediation or arbitration when it is requested.

"We said give us a hammer," says Sugimura, a partner in Bendet Fidell Sugiumra who many regard as the "queen" of condo law in Hawaii.

The hammer is just-enacted Senate Bill 292, which mandates that failing to provide mediation/arbitration can be considered a breach of an association board member's fiduciary duty-meaning legal expenses that ensue will not be paid by the association.

"Dispute resolution is one of the things I've been working on over the years," Sugimura says.

"People say I'm going to sue you-but nobody wants to sue anybody. I'm a lawyer and I don't want to sue anybody. It's expensive and takes so much time and effort. And we all have to live together, so let's try to come up with something practical.

"Hey, it's not that hard to go sit down at a table and talk to a retired judge."

The program is Dispute Prevention Resolution, and the state will subsidize the cost between a homeowner and an association.

"They each pay for an hour, about \$300, and then the state will pay up to \$3,000 to mediate it," Sugimura says. "And, you know, (trial) judges hate condo cases. They hate us. They say, why can't you people get along?"

The process is called "evaluative mediation," which means the retired judge will write up his findings, which are permissible in court if one of the parties, still disgruntled, wants to proceed.



"People say I'm going to sue you-but nobody wants to sue anybody. I'm a lawyer and I don't want to sue anybody. It's expensive and takes so much time and effort. And we all have to live together, so let's try to come up with something practical."

"It's working," Sugimura says. "There haven't been any follow-ups, nobody has filed a suit (after going through mediation). The judge says Party A has a good case, Party B has a lousy case, if this were to go to court, this is what I would do. It makes people think."

Becoming an expert in Hawaii condo law—and in many cases helping to write it in cooperation with legislators—was not in Sugimura's plans when the New Jersey native graduated from Rutgers University Law School. Neither was living in Hawaii.

Then her uncle called. You may have heard of him—Tony Masumitsu, as in Tony Honda.

"He asked me to come out here and help him at his car dealership," Sugimura recalls. "I was newly minted out of law school, I wanted to practice law. He said, 'I want you to talk to other lawyers' (for the business). This was in March, and you know what March is like on the East Coast. Hawaii sounded pretty good.

"But after I worked for him for a while,

very little of what I did was legal. It was a lot administrative, looking at contracts and training people and writing the manual. But I wanted to be a lawyer, and I told him I can represent the company.

"So I did, and then I bought a condo. It turned out to be leasehold."

Thus was a career in condo law born.

"Leasehold conversion, that's how I got in," she recalls. "We couldn't get it passed with the state, so we went to the city and got Chapter 38 passed in 2001, after a whole lot of lobbying—a story in itself. When John Waihee was the governor, he came to our meeting one time and said, 'Leasehold conversion, guys, I'm going to get it done.' We cheered him ... that was a big issue then. ... He did introduce a bill, and Ben Cavetano as lieutenant governor was tasked with getting it through the Legislature. . . . We couldn't even get a hearing, they called it rent control and said that was a city thing.

"John Henry Felix, who represented Hawaii Kai, became our hero. He introduced a bill in the City Council,

and Ben sent over his staff with their bill and worked together and made it into Chapter 38, that allowed leasehold conversion for lessees on Oahu. That went all the way up to the Supreme Court, and David Ezra said that's constitutional, and the 9th Circuit after a year upheld Judge Ezra, and when Bishop Estate appealed to the U.S. Supreme Court, they said hey, we've done this."

So leasehold conversion became the law of the Islands, until it wasn't. All it took was a change of the Council's composition.

"Mike Gabbard started it ... it was legal, but Bishop Estate(-supported) members changed it ... in 2005 they bought a 5-4 vote ... nothing wrong with the law, it was politics, and there were no more leasehold conversions."

She doesn't expect the issue to arise again. Still, Sugimura remains proud that "more than 30,000 units were converted" from lease to fee simple.

Other prominent issues with which she's been involved include children in condos and solar on townhouse roofs.

"We were accused of being anti-children," she says. "Condos have a provision, they must be used for residential purposes only. But what you had was people doing babysitting, and it became a liability — if you have small children, what if you can't get them out of the building in case of an emergency? Guess what, they're going to sue the building.

"The DOE will not allow schools to put students below second grade on the second floor, so why are you allowing children to be cared for in buildings that go higher than a second floor? So now you can do babysitting in a townhouse, but it has to be on the ground floor. And the person who does the childcare has to be registered and provide insurance to the association. That was the compromise, and the law is still in the books."

"We're good at compromise," she says. Another example was on solar panels:

"Hermina Morita (former state representative), she's big on environmental issues, and they were beating us up, they wanted to put solar on townhouse roofs, and we told her the roof doesn't belong to the unit owner, it belongs to the association. She said she was going to pass it, we could help or go our own way.

"So now the bill reads you can put solar on a townhouse roof, and they have

to set up design specs, so you get consistency. You can put up solar, but you the unit owner are responsible if you cause any water leakage that occurs to your unit forever-if you sell it, you indemnify your purchaser, because you put the thing on the roof. Plus, give insurance to the association. And if the association reroofs, which they do every 20 years or so, you have to pay to remove your solar panels and then put them back.

"That was the compromise we made with Mina."

This was typical of her work. As Sugimura says: "Legislators would say we're going to do this whether you like it or not, or you can work with us on things you want, or we can do it this way and you'll be very unhappy. So we work with them."

Sugimura's latest project involves making it easier for building associations and managers to stay abreast of the latest laws, best practices and trends.

"Our group HCCA (Hawaii Council of Community Associations) has been doing YouTube videos with ThinkTech Hawii on condo issues, 'Condo Insider,' and we would like to get the word out. They're 28 minutes and talk about different issues. We get e-mails and we respond, and if you want to hear about a certain issue or from a certain person, let us know, we'll do the research, get them on the show. One of the issues people were interested in was the class-action suits against the associations where the state court found differently than the federal court. It's a very narrow issue and John Morris was on a couple of weeks ago, his firm is involved in it. It was really good. The state is going to put it on their website as a link."

The project started because of Sugimura's contacts at the legislature:

"We were down at the Legislature, and the senators, especially Roz Baker (a condo owner herself), she said to us, 'you know, I'm getting complaints from homeowners, and they say they work and can't go to seminars, or can't afford to go, so is there some way to get them this information and they don't have to pay and it's available at any time?' And this is what we did."

To see past shows, go to the HCCA website.

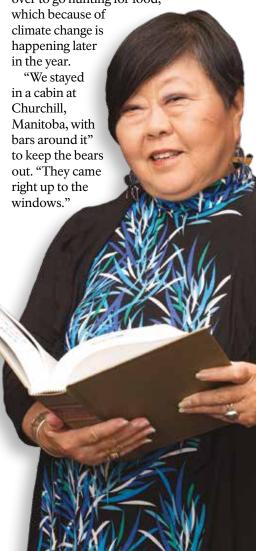
Sounding a lot like a radio deejay, she says: "There's a play list, so it tells you what topics are on there. And we take requests."

If it appears that condo law is pretty much Sugimura's life, you would be close to correct.

"I'm involved in a lot of condo things," she says without apology. She's also heavily involved in the state Democratic Party and a few years ago ran for the state House of Representatives from Pearl City.

But she also makes time for adventure with friends, such as getting up close with harp seals and polar bears in Canada.

Make that hungry polar bears that have just awoken from hibernation and are waiting for Hudson Bay to freeze over to go hunting for food,





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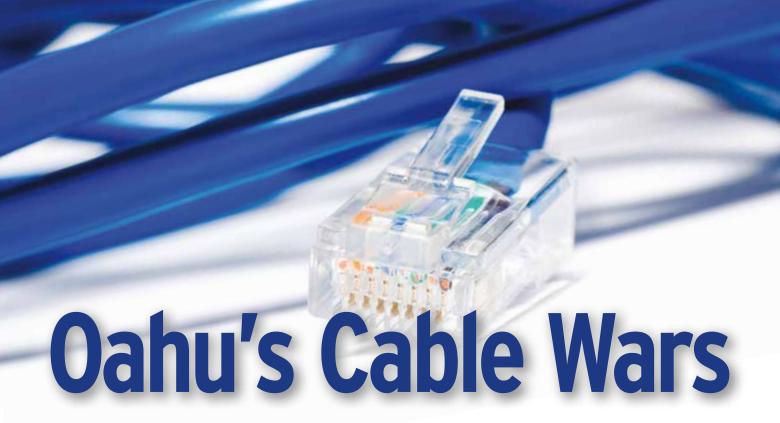








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By Don Chapman

t was in high hopes of seeing sparks fly that a group of building managers gathered recently to hear representatives of Hawaiian Telcom and Oceanic go head-to-head, *mano a mano*, making their cases for which provides the best service to condo dwellers.

Whoops, make that Hawaiian Telecom vs. Spectrum. Just that quickly Hawaii's cable landscape changed, with the purchase of what had long been Oceanic Time-Warner by Spectrum.

The setting for the showdown was a common room at The Collection (Keawe and Ala Moana), as general manager Al Guzman and his staff hosted the Super Block of building managers (and *BMH*'s editor) for lunch and a fight.

It is with mixed emotions that I report the fight never broke out.

But while the discourse was civil, the simmering competition between the two companies was clear, as were the strong feelings that each evokes from customers. Two managers spoke with equal fervor on behalf of each company, and to be frank there were grumbles too.

I'd hoped for a back-and-forth debate, and both sides brought their heavy hitters, but the format called for first Hawaiian Telcom and then Oceanic... er... Spectrum to line up six or seven



PHOTO COURTESY AL GUZMAN

The Hawaiian Telcom team was led by president Scott Barber (hand on chin)

people from various departments at a table and make their presentations, followed by Q&A.

Hawaiian Telcom's representatives included VP Jason Fujita and Scott Barber, president and CEO.

"The trend," Fujita said, "is that high-speed broadband is a critical element people are looking for in their homes. And it's more than traditional television service."

For a condominium, that means great service enhances the building's value and desirability.

And it's more than traditional TV, Internet and telephone service, though both companies provide those.

It's the "Internet of things," said Scott

Barber, Telcom president and CEO, noting that up to 20 devices in a home can be connected to the Internet. And you can expect that number to continue growing.

Thus, Hawaiian Telcom execs emphasized their 1 gigabyte cable is fast and broad enough to handle all the traffic, and will into the future, "times five year over year."

Fujita noted that Hawaiian Telcom already serves more than 90 buildings "so far" and is experienced in running cable into an existing structure.

Also in my notebook: Programming-wise, high school sports is the only content HT doesn't carry com-

See 'CABLE' on page 57



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Island Wide Estimates



Helping Hands After a Tragedy

IREM members volunteer to assist Marco Polo residents affected by the tragic fire

BY DON CHAPMAN

hen Gifford Chang of Ideal Properties heard the news about the tragic Marco Polo fire on Friday, July 14, he got on the phone and called Ben Oates, the building's resident manager.

"Ben and (assistant manager) Nars Domingo are ARM designees, and we wanted to help," says Gifford. "So we put out the call to the IREM family, and on Saturday morning we assembled in the lobby."

They fielded questions from residents, "which alleviated Ben and Nars from the *manini* and allowed them to focus on bigger issues," Gifford says.

"We had to be pillars of strength for these people and not show our own sadness."

"We asked if they needed shelter, if they needed comfort, we tried to direct them to the right place," Gifford says. "Many residents wanted to go up to their unit, and couldn't understand why they couldn't — their unit was on the other side of the building from the fire. One elderly woman who was not allowed to go up to her unit said she needed her meds. We advised her to call her doctor and go to the hospital. Then there was an international



Davie Felipe, Gifford Chang, Ray DeSmet, Nars Domingo

student, here for summer school, and he lost all his books, everything, just before final exams. We could at least offer new clothes."

It was difficult, even painful for the IREM volunteers.

"We had to be pillars of strength for these people and not show our own sadness," Gifford says.

A couple of younger IREM members jumped in and helped Associa set up a Facebook page for Marco Polo residents.

IREM was back the next day too. "We had about 20 people in different shifts," says IREM executive director

Lauren Kagimoto.

IREM folks also contributed translation services, as about half of Marco Polo residents speak Japanese, Chinese or Korean.

And Gifford was not done making calls.

"I called Home Depot, and they sent over a pallet of bottled water. I called Lowe's, they said they were short-handed, but if we could send someone over they could help us too." A hundred lanterns and 100 5-gallon buckets were donated.

He wasn't done.

"I'm also president of the Chinese Chamber of Commerce, and I contacted one of our members, Tan Kwock, who sent over 250 sandwiches from Bale. And Eddie Flores of L&L and Victor Lin of McDonalds were on standby."

And the Chinese Jaycees were having a function at Bloomingdale's that involved giving away a thousand Year of the Rooster bags and 300 bags of cosmetics. With the OK of Bloomingdale's, the Jaycees donated all the bags to Marco Polo residents.

"Now we're trying to find housing for people. Ruben Wong and Tan Tec Lum, both Chinese Chamber members who are real estate investors, are checking to see if they have empty units where people displaced by the fire can go."

This is building management at its best.

"It's just a matter of caring," Gifford says. "You can be a tough businessman, make money for your company, but when someone is down, you do what you can to help. We're very lucky we could pitch in.

"And we're good beggars. That's part of leadership, you have to know how to beg."

Rediscovering Fire Drills

"It's been at least 20 years since we had a fire drill here," says Thomas Schmidt, an original Marco Polo owner who has been displaced for at least six months by the tragic July 14 fire.

There's no guarantee that a fire drill in the days before that fire would have saved the three lives lost, but perhaps it could have.

Schmidt adds that there are fire hoses on each floor, "but I doubt many people know how they work."

Having fire drills is just one of the fire safety tips that Capt. David Jenkins, Honolulu Fire Department's public affairs officer, offers BMH readers.

"We follow guidelines established by the National Fire Protection Association (nfpa.org)," Capt. Jenkins continues. "No. 1 is the prevention side – the best way to survive a fire is not to have a fire. So avoid unattended cooking. and check for over-loaded electrical outlets."

Second, "on the preparedness side, when you hear an alarm, evacuate. If an alarm goes off without a fire, work with management to fix that. The other danger is an alarm that doesn't work."

Three is response: "Fire drills are good because you're physically practicing what to do and where to go - where are your exits, where will you meet family members if you get separated. You don't need the whole building to do a fire drill at the same time, it's something you can do as an individual or as a family. If residents have a physical memory of an action, it makes it easier to respond if the situation is real."

Jenkins says HFD is ready to offer advice to boards and associations.

"We do not develop plans for a building, but once you have a plan for your building we're happy to assist and review, and observe a fire drill."

Go to honolulu.gov/hfd/communityrelations for more tips as well as a link to a fire safety education request form, or call 723-7168.

-Don Chapman



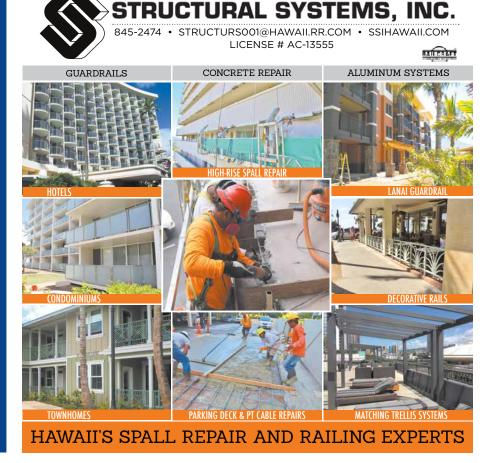




PHOTO COURTESY WAIHONUA AT KEWALO

Angela, a homeowner at Waihonua at Kewalo, with her dog Minnie.

To meet demand, more Honolulu high-rises are welcoming pets, without peeves

BY BRANDON BOSWORTH

ccording to the Hawaiian Humane Society, 60 percent of Oahu households have pets, and just over 40 percent have dogs. For many locals who share their lives with companion animals, finding housing can be a challenge, especially when it comes to condominiums and apartments.

"There is enormous need for housing options," says Stephanie Kendrick, the



Stephanie Kendrick

Humane Society's public policy advocate. "It looks like more properties are now pet-friendly. The trend is being driven by the demand."

The team developing Ward Village



Todd Apo

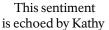
saw that demand and is striving to meet it. "Pets are welcome at all Ward Village residences," says Todd Apo, vice president of community development at Ward Village. "Waiea is

the only property currently open, but Anaha, Aeo, Ke Kilohana, and 'A'ali'i, our newest residential tower, will also be pet-friendly. Additionally, all of Ward Village public spaces, including the pedestrian area throughout our retail establishments, are also pet friendly."

To Apo, this approach just makes sense.

"Pets are special and an important part of our families," he says. "As we work to develop the Ward Village community, being pet friendly is easy and obvious. We recognize the bond

between people and their animals, and we want to do everything in our power to make pet owners feel comfortable being a part of the community."





Kathy Lau Best

Lau Best, general manager, Waihonua at Kewalo. "Many homeowners treat their pets as part of their family," she says. "When it comes time to move, looking for a pet friendly condo is one of the most important criteria, and not always easy to find."

According to Kendrick, one plus to accommodating people with pets is getting better tenants. "From everything we've seen, pet owners tend to be very good, loyal tenants as well as long-lasting tenants," she says. She explains that because pet-friendly housing is so hard to find, once people find someplace that welcomes their animal companions, they tend to stay put.

Still, many properties don't welcome pets.

"Liability is the issue mentioned most

frequently, Kendrick says. "Sanitation is another concern. Risks tend to be overblown."

If a property does welcome pets, Apo says it is important to have realistic rules and enforce them consistently. "We work to set reasonable rules and guidelines to minimize any risks," he says. "Building rules limit the size and number of pets per home. Keeping pets on a leash is another requirement to minimize problems. In the end, it's about setting a standard and an expectation that everyone will show consideration to each other – whether they are a pet owner or not."

"Although pet policies rarely make all condo owners happy, they do act as a measure of protection in ensuring the building doesn't become overrun with animals and that non-pet owners still feel comfortable in their condo community," says Kathy Lau Best of Waihonua. "When pet policies are in place, they are usually rather specific so that it is clear if someone is in compliance or violation of the agreed-upon pet guidelines for the condominium complex. In addition to pet policies that police the type and size of pets within the community, other condo pet policies often include rules that help ensure that pets are carried whenever practicable or kept on a leash when moving about the condo. All pets are registered and owners may be assessed a special annual fee to defray the additional costs incurred by the association in properly cleaning and maintaining the common elements of the condo, including the dog park. Such rules help ensure both the safety and comfort of the pet and maintain harmony with other condo owners."

Offering outdoor areas for pets to enjoy can make a big difference both for animals and residences. For example, Waihonua at Kewalo, as well as all Ward Village residences, have specific dog play areas. "When you combine them with the outdoor opportunities—from our sidewalks to the beautiful Kewalo Harbor and Park—our residents have many options for their pets," Apo says. "This dedication of space and pet friendliness is a key part of preventing pet-related issues. Many of our merchants do their part to welcome pets to Ward Village, too. REAL a gastropub frequently hosts Yappy Hour, where pets can enjoy the restaurant with their owners."



PHOTO COURTESY WARD VILLAGES

All residences and many businesses at Ward Village welcome pets.

The Hawaiian Humane Society offers a variety of pet-related tips for tenants, landlords and building managers on their website, including:

- Checklist for Landlords
- Tips for Tenants
- Recommended Pet Policies for **Buildings**
- Pet Addendum to Rental Agreement
- Pet Application Registration Form
- Common Pet Problems & Solutions
- Pet-Friendly Buildings

For more information, visit www.hawaiian humane.org/pets-are-family/

"At Waihonua we have a special dog park dedicated to their needs on site, just a short elevator ride away," Best says. "It makes it convenient for residents that have just a few minutes for a quick early morning, midday or late night stop where their dogs can relieve themselves or enjoy visiting with neighboring dogs. There are also several green areas and small parks around the Ala Moana-Ward-Kakaako neighborhood for those who wish to take a longer walk with their pets. We also have several of our pet-friendly Malama Advisors that enjoy taking special care

of our furry friends and their owners. Our dog park and beautiful grounds are well tended by our housekeeping and maintenance staff."

For high-rise dwelling cat people, Kendrick says one potential option is a "catio"—a patio for cats.

"The catio concept gives cat owners the ability to enclose their lanai space to provide an enclosed outdoor area for their cats," she says. "They are very popular, and some building managers have expressed interest in the concept."

Catios are available from companies such as Habitat Haven and Catio Spaces.

Making a property pet-friendly can benefit every resident, even those without an animal companion.

"Animals promote bonding between neighbors and the community," Kendrick says. According to Best, "Whether you own a pet or not, having pets as part of your condo community can enhance the social well-being and friendliness between condo neighbors."

Apo concurs. "While a high rise means we are all closer together, it actually brings the benefit of seeing one another more often and, therefore, creating a stronger community bond when dealing with pets or any other issue," he says. "It's what you'd expect in any community. Being in the confines of a high-rise sometimes makes those efforts easier."

Plumbing Nightmare: Replacing the System



ithout a doubt, plumbing is an imperative part of modern life. It is because of plumbing that we receive the most important and necessary resource needed by every human — water. Water allows life to happen. Without pipelines, water would not be clean, therefore unsuitable to drink, bathe in and use. Beyond supplying water, pipelines are crucial for drainage and wastewater management systems. Getting rid of wastewater is just as essential for our health as bringing clean water in.

Plumbing dates back to around 2,700 B.C., when ancient civilizations needed to provide potable water to the citizenry. It wasn't until the ancient Roman era around 800 B.C. that modern drain water plumbing techniques really took off and expanded. Clay pipe became a commonly used material for removing wastewater, and gravity fed aqueducts sometimes made of stone or brick would provide the freshwater supply. With the fall of the Roman Empire, the development of plumbing began to regress. When health and sanitation concerns arose again many years later, underground waste and sewage systems were re-introduced.

During World War II, there was short supply of the most common drain pipe material, cast iron. The U.S. was busy building Jeeps, tanks and other needed supplies for the war effort. That's when Orangeburg pipe was used, which was essentially cardboard coated in a petroleum-based tar. Also, clay pipe was being used, and eventually in the mid-1970s, ABS plastic was introduced. Then in the '80s, an alternative to replacement was introduced: Pipe lining rehabilitation.



The Oxford dictionary defines plumbing as a "system of pipes, tanks, fittings, and other apparatus required for the water supply, heating, and sanitation in a building."

As important as plumbing is, it comes with inherent maintenance needs. Pipe corrosion, old age, vertical cracks in high rise structures, voided sections of pipe, structural damages and many other issues can shorten the lifespan of a pipe system. Manufacturers of cast iron usually give a life expectancy of 35-45 years. After that, there are two solutions for an aging pipe system.

- 1. Doing a traditional pipe replacement
- 2. Rehabilitating existing pipes in place with epoxy barrier coatings and structural drain liners.

Pipe replacement is the traditional route to take care of the pipes. This consists of moving residents out, opening all walls, ceilings and concrete floors where there is pipe, and completely removing the problem pipeline by replacing it with a new one. This can sometimes be a time-consuming and costly solution, but will extend the life another 35-45 years. A typical warranty for this service is one to five years. It also comes with the additional task of

abatement and put-back (remodeling of all units upon completion).

There are situations when this is the only option available. Pipe relining will not correct a pipeline that has reverse grading issues, or a "belly." A re-pipe would also be necessary if there is an error in the pipe's installation, or adherence to plumbing code. Additionally, if the pipe is easily accessible and can be reached without destroying the property's finishes, replacement is sometimes best.

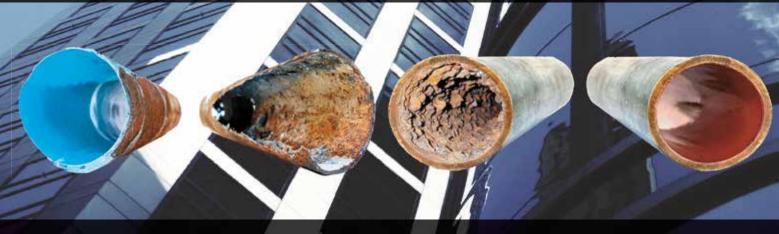
With the advent of trenchless technologies, however, it is possible to avoid pipe replacement, keep everyone home during construction, and not perform a remodel of the entire property.

Pipe lining can be divided into two main categories – Cured In Place Pipe (CIPP) lining and epoxy barrier coatings for potable water systems. CIPP lining is a technology used to rehabilitate drain, waste and vent pipe systems. It is a cost-effective and environmentally friendly option. There is a fraction of the waste that is produced, therefore landfills are spared. Trenchless technology can be installed from above ground, through previously engineered access

See 'NIGHTMARE' on page 23

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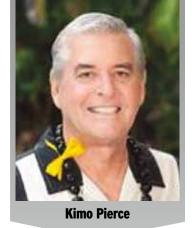


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Do You Need to Replace Plumbing?



BY KIMO PIERCE

othing lasts forever, including the pipes inside your home or building. Over the decades, pipes gradually corrode, rust and decay. Roots can infiltrate.

Unless you replace plumbing, you're eventually going to get leaks-possibly a flood of water or raw sewage-into your building that can cause thousands of dollars in damage, along with surly increases in insurance costs.

So is a plumbing disaster imminent? Or just a concern for the future? Replacing old pipes in a condominium can cost tens of thousands of dollars and require hazardous material testing, cutting open walls, and removing kitchen cabinets or bathroom showers—so you certainly don't want to undertake a project before it's necessary. Assessing your plumbing system will help you know when replacement is due.

What to look for before replacing pipes

First, understand your infrastructure. The type of plumbing material, the location and age of your property, and previous work can help you determine how long the plumbing can be expected to last without problems.

It's important to know whether your water-supply pipes are copper, brass, galvanized or plastic. Galvanized pipes could possibly be leaching lead into your drinking water, and Polybutylen—used from the 1970s into the '90s-should be assessed prior to a plumbing replacement project.

What about the sewage or drain lines? Cast iron and Polyvinyl (PVC) are commonly found in Hawaii, while a fortunate few may have copper.



Watch out for signs

Statistics and opinions vary across the country. For example, the pipes in a dry city with minimum moisture and salt may last much longer then the pipes in our salty, humid environment. Key factors include:

Age: No one seems to have come up with the magic "age," the average life of plumbing in the Islands, but there is general agreement within the industry that after 45 years, systems in Hawaii may be on borrowed time.

Failures: It may appear that pipes hidden behind the walls or buried underground have not failed. Unfortunately, facts suggest that plumbing out of sight should not be out of mind. It's safe to say that upon inspection one will find broken, corroded and rusted bands as well as cast iron and PVC that is brittle to the touch—blistering, cracked or fractured and plugged with sediment. As hard as it may be to imagine, a possible reason you have not experienced bountiful leaks is that waste has built up over the years to create a tenuous coating inside pipes.

Material: It is my opinion that most of Hawaii's plumbing material—except copper—will show signs of failure at 45 years. The few copper waste lines that I have examined have shown minimum signs of wear.

Are there cost-effective ways that may extend the life of your pipes? Setting up a plumbing maintenance jetting (not snaking) program may or may not extend life, but could certainly be expected to help prevent emergency calls due to draining and back-up issues.

It is always advisable to verify and validate your investigation by contacting a trusted general plumbing contractor to sample the condition of your pipes. This can be done by simply walking your garage to visually inspect your overhead pipes. You can also learn a lot when HOA owners volunteer to have their walls opened; samples can be surgically removed, and work areas closed before visually inspecting the samples. For sceptics, there is one more step: sending your samples to a forensic lab for testing. Depending on your choice the costs could range from FREE to as much as \$20,000, depending on your scope of work.

When to Take Action:

If you have not taken any action at 45 years, it's my opinion that you or your board are in denial. Many AOAO's are having their hands forced by insurance providers. By not being diligent you or your community stand the risk

See 'PIPES' on page 29

NIGHTMARE

Continued from page 20

points, thus eliminating the need for surface destruction.

CIPP can be used on a variety of different pipes such as clay, cast iron, copper and almost any other type of pipe. An epoxy saturated felt liner is pulled into a pipe and cured, becoming a "pipe within a pipe." It has the ability to negotiate through multiple bends, and can be completed at the lateral connections as well. CIPP eliminates corrosion, root infiltration, vertical cracks, voids in the pipe, and extends the life of the pipe. As a matter of fact, it does not corrode or bio-degrade at all, because it is now 100 percent solid epoxy. It acts like plastic, and has an expected lifespan of approximately 75-100 years. A typical warranty for this service is 10 years.

Epoxy barrier coating for potable water systems and other pressurized pipes is a cost-effective solution for deteriorating copper water lines. The



process cleans the existing pipe of corrosive chemicals, and then distributes a thin even coat of epoxy throughout the pipe to protect it from further pinholes and aggressive water chemistry. Beyond that, epoxy coatings also aid in separating the metal contents of the pipe from the water passing through it, preventing heavy metals such as lead and copper from leaching into water, therefore making this a popular solution to avoid water contamination. This process will typically come with a 50 to 75-year life expectancy and a 10-year warranty.

It is evident that plumbing, pipelines and the solution to their problems have evolved over the millenia. As a human necessity, it is important for pipelines



to be maintained and healthy. Damaged pipelines create a distraction to daily routines, and a health hazard. When choosing your solution, look for a cost-effective, convenient and eco-friendly, solution for your systems.

Jeremy Anding is a pipe technology consultant and senior account manager with Nu Flow America, Inc. He's worked in the plumbing industry since 1988, and continues to be at the forefront of plumbing technology with a successful history of new plumbing installation, service and repair, management, and use of every available alternative to traditional means of repair.



Avoiding Costly Plumbing Disasters



Walter K. laea III

oing plumbing work in the state of Hawaii for over 27 years in a company that was established in 1974 has allowed us to personally observe the changes in the industry that have resulted in the overall cost of replacing the building's waste, vent and storm drain pipes to a "nightmare level."

The driving factors that cause costs to rise can be divided into two general categories, "uncontrollable factors" and "controllable factors."

The first category includes those the owners have no control over because they were predetermined when the architect or designer created the building's blueprints. These factors are based on the physical location of the pipe to be replaced, and the cost of the job increases when trying to gain access to the affected pipes, thereby forcing the temporary removal of kitchen cabinets and counters, bathroom fixtures and shower tile and walls.

Abatement work is required because the material being removed contains more than 1 percent asbestos. If the building's pipes are not easily accessible, the owners will need to build their reserve funds to handle the incurred cost, or they can replace the pipes in a predetermined set of units per year, thereby spreading out the cost over time.

The last uncontrollable factor is one in which the B.O.D./resident manager/ property manager or owners release control of the re-pipe project by turning it over to a private entity for guidance without a complete understanding of what not to allow. Thus, the private entity takes control and drives up the cost of the re-pipe job to the "nightmare level."



This takes us to the second category, where owners can actually control the factors with a basic understanding of what to allow and accept in their RFP (Request for Proposal) and contracts.

The following are six "controllable factors," which if allowed will result in higher job costs.

• Signing a contract approving a private entity to be paid a percentage of the overall job cost creates confusion between the goals of keeping the overall job cost down to a minimum and making sure they are looking out for the owners' best interest, so unique techniques are developed that become the driving factors pushing the job cost up to those "nightmare levels." There are unforeseen specialty job situations requiring payment be made in percentages of job cost, but not for repetitive work like the replacement of the building's pipes. Everyone involved

with the re-pipe project is required to submit a set bid price. If the private entity guiding the work has the required experience, then submitting a set price shouldn't be a problem. This will encourage them to request the contractors to include specific item set pricing for the unforeseen repairs. We've seen the following controllable factors in RFPs, resulting in escalated job cost.

• Requiring the contractors to hire a professional cleaning company to assure the units have been turned over dust free, when the abatement company required for the demo work is already required to wipe down all surfaces. Experienced contractors purchase the latest tool technology, which incorporates vacuum cleaner connections with filters to control construction dust, along with the use of quick wall devices which create plastic sheeting walls. The floors as well as the owner's



Hiring the right plumber is critical, but hiring the right team is everything.

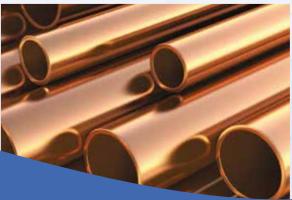
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(808) 284-8332 porterci.com Building Preservation Experts personal belongings are covered with drop cloths, then mopped and wiped clean at the end of each workday. There are specialty mats which can be placed at the exits and combined with plastic sheeting walls on each side of the mat area so you can eliminate tracking of any dust out of the affected work areas. Besides, if the occupants are to remain living inside the units during the jobs then the units are cleaned daily by the contractor's employees.

• Treating the entire job as one which the asbestos survey report had confirmed the material being removed as asbestos-containing material just because a couple areas had tested positive. The requirement is three random samples of homogenous materials per floor, which defines homogenous material as one having the same texture and color. The normal cost to test each sample is about \$16, or \$48 per floor, and another \$48 to test the unit's ceiling. As a State of Hawaii asbestos building inspector, I've seen many buildings where less than 20 percent of the unit's samples contained more than 1 percent asbestos, and the 20 percent was reduced by simply re-



questing the samples be confirmed by a secondary test, resulting in the majority of the unit's samples containing less than 1 percent asbestos, reducing the abatement costs for the project.

· Setting unreasonably short deadlines for the contractors to submit their bid price on a ridiculously detailed separate bid form for each various unit configuration. This results in contractors withdrawing or declining to bid, leaving those who are left to submit a higher price than normal, only having enough time to base their bid price on the most costly unit. It takes an honest

20 business days to compile the information needed to submit a competitive bid to replace the waste, vent and storm drain pipes for each high-rise building.

- · Including additional items in the plans being submitted for the building permit. If your building is in need of replacing the waste, vent, and storm drain piping, stick to those items only and do not let anyone add electrical or water repairs to the plans being submitted. Most buildings replace the water risers' isolation valves as needed, so do not include such work. There is no cost savings when you combine different types of work and there are different city departments which the plans must go through to obtain approval for the different types of work. Keep it simple and cost will stay down.
- Allowing the scope of work to include the replacement of the last section of the vent piping, which penetrates through the roof top. Such work should occur only when the building's roof top waterproofing membrane is being replaced, as it compromises the integrity and a simple weather vent cap can be installed to stop rain water from entering the vent pipe.

We would like to thank Building Management Hawaii magazine for printing informative articles like this one, and hope the information we provide will stop the cost of your building's re-pipe work from being driven up to a "nightmare level."

Walter K. Iaea III is a State of Hawaii journeyman licensed plumber, certified backflow prevention tester and certified asbestos building inspector. Since 1990 he's worked at Alakai Mechanical Corporation, spending the last nine years as the Plumbing Service Department manager.

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10 Tips for Keeping Re-pipe Costs Down



or many AOAOs, plumbing "nightmares" don't always come in the form of floods and water damage. Even when your community decides to be proactive, and re-pipe before your leaks get too bad, the project can easily become a nightmare of its own if not managed properly.

More and more often, pipe replacement is becoming a contentious and litigious business in Hawaii. Communities are confused about whether the work needs to be completed at all. Boards are being sued by residents who cannot afford the assessment or don't want to incur an increase in their condo fees. Communities under contract to replace their pipes are issuing stopwork orders in response to residents protesting the projects.

And that's just internal community politics. Add in some construction managers who fail to properly (or fairly) manage the process, litigious lawyers with agendas, pipe lining companies overselling the benefits of their solutions, and pipe replacement companies who are over-extended and unqualified (resulting in change orders, project delays and work stoppages), and you realize that fixing your pipes can quickly become an expensive and very frustrating bad dream.

So what can a community with leaking pipes do to avoid these nightmares?

Meet often, plan methodically, communicate openly, and most importantly, choose your vendors well.

By properly managing a re-pipe project, you can keep your plumbing nightmares away. Here are 10 steps to help you get started:

FORM A RE-PIPE COMMITTEE consisting of board members and other engaged, concerned residents. This committee should oversee the assessment of your current situation (testing the estimated life expectancy of your pipes), and evaluation of your financial situation (available reserves and borrowing capacity) that will impact your ability to fix your pipes.

ASSESS YOUR CURRENT SITUATION by performing fitting extractions at strategic locations throughout your property to understand why they are failing. This will help determine the life expectancy of your current system and the sense of urgency with which you should consider a pipe replacement project.

UNDERSTAND YOUR FINANCING OPTIONS by getting pre-qualified. Pipe replacement projects are large capital expenditures and most AOAOs do not have the reserves necessary to fund them outright. Just as a homeowner seeking a mortgage will prequalify for a loan, your AOAO should talk to a lending institution to determine your borrowing capacity before starting the process. When cost estimates are eventually developed, understanding the limits of your budget will greatly help if prioritizing certain phases of the project becomes necessary.

CONDUCT A FEASIBILITY STUDY. This service should be free and include a rough order of magnitude budget for your proposed project. Before spending real dollars on engineers and construction managers (which will eventually be necessary), it is advisable to determine whether the project is feasible now or whether

further financial preparations are necessary based on your borrowing capacity and current reserves.

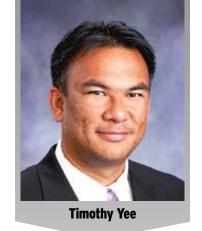
COMMUNICATE OFTEN AND ACCURATELY to your entire community about the steps in the feasibility and due diligence process, and when they will have an opportunity to weigh in with their questions and concerns.

HIRE A CONSTRUCTION MANAGER to guide you through the planning stages of the re-pipe project once you have determined that the costs of the project fall within your potential funding budget. A construction manager will act as a third party on behalf of your community to plan the project, seek bids and oversee the pipe replacement renovations.

THOROUGHLY VET ALL VENDORS and make sure you hire reputable firms with proven experience in pipe replacement projects. From construction managers who design the project and put it out for bid, to lawyers who review contract terms and conditions, to pipe replacement contractors who perform the actual work, there are many decisions to make. Always ensure you make apples-to-apples comparisons regarding scope of work, level of service and price. And for all of these critical vendor selections, always check references! While there is always price pressure, remember that cheaper is not always better. Vendors who come in with very low prices may be hiding or excluding something to drive their price down, which will usually come back to haunt your project.

See '10 TIPS' on page 57

How to Prevent Plumbing Insomnia



hen asked by BMH to write about 'plumbing nightmares," as a plumbing professional I couldn't help taking offense. Maybe it's because my livelihood is based on the performance of plumbing systems, faucets, fixtures and appliances. Maybe it's that I spend my daylight hours finding, testing and then promoting plumbing products that minimize and prevent horrific experiences. But I think it's mostly because a vast majority of plumbing nightmares are rooted in some other issue rather than the gory details of the nightmare itself. When you wake up screaming in the middle of the night that a giant, 7-foot roast beef sandwich is chasing you down the hallway, you don't go out and tell your friends they need to buy a giant Ziploc bag to catch evil sandwiches—you talk to them about not eating too close to bedtime.

The same is my approach to discussing plumbing issues that you can lose

water, having a replacement plan—far before you need it—is a lot smarter than waiting for the nightmare to come. What are you using today? Boiler, heat exchanger, electric, gas? Do you have enough hot water for your demand? Do you have a backup or redundancy? How efficient is your system?

There has been a steady and constant amount of innovation in hot water heating. Redundancy has been the strategy that properties are leaning toward. With high efficiency boilers in the market, you can achieve

the same amount of

recovery with a couple of smaller units rather than a single, large and expensive unit. Tankless water heaters allow you to have tremendous redundancy as well as staggered usage, reducing fuel consumption dramatically. In the latest case studies, a hybrid of both tank and tankless, allow for high usage, redundancy and fuel savings, while meeting space constraints. Get educated, plan and budget now, because it is not a matter if you will need to replace your system, it is a matter of when.

"The issue wasn't enough hot water, the issue

was that the No. 1 use of their hot water supply

was the showers, and changing the heads

resulted in a 40 percent reduction."

Keeping on the same lines of hot water demand, we worked with a goodsized property in Waikiki that had a





series of boilers and storage tanks for their system. They made the investment in new tanks and changed the boilers as they aged, but with recent renovations and a change in consumer demand, they found that their system could not keep up. They spent a lot of time trying to find the space and money to increase their system output. It was then we asked, "How old are your plumbing fixtures?" Their first response was that they weren't doing a renovation, so stop trying to sell us more stuff. But our question was really, how many gallons per minute are your shower heads?

Come to find out, they were using 2.5 gpm shower heads in a boutique hotel that caters to the Asian market. We sold them six of the latest and greatest, air-insertion technology shower heads that worked with 1.5 gpm. They installed them in six of their rooms to see customer sentiment—not a single complaint. Long story short, they replaced every head in the hotel, haven't had any complaints, have more than enough hot water and, in fact, have reduced their hot water consumption, reduced their water consumption overall and reduced their utility bill. Win, win, win, win, win. The issue wasn't enough hot water, the issue was that the No. 1 use of their hot water supply was the showers, and changing the heads resulted in a 40 percent reduction.

Finally, "going green" and the nightmare of footing the bill. The shower head story above is a great example of going green and reaping a benefit. With water, sewage and energy costs on the rise, there are a couple of other places where you can go green and save some money.

If your property has individual water heaters in each unit, consider going to a hybrid heater. These units see 40 percent better efficiency and qualify for



government rebates. If your property has a large number or large-size boosters or circulating pumps, there are variable speed pumps that dramatically reduce energy consumption and increase the life expectancy. The simplest of all is to replace plumbing fixtures and toilets with new lowconsumption units. Toilet technology now has great performance in the 1.28 and 1 gpf platforms, resulting in 20 to 30 percent reductions in water usage. You may not want to change an entire building at once, but as you need to replace these units, ask for the lowconsumption units, they are equal in cost and have great performance.

As I said, I'd rather not talk about nightmares that I have seen, but rather solutions that we have used to prevent them. Plumbing is not rocket science, but putting a little bit of science and planning to work for you will bring you piece of mind and keep money in your pocket.

Timothy Yee, area manager for Ferguson Enterprises, is a 25-year veteran of the plumbing industry.

PIPES

Continued from page 22

of escalated insurance premiums, higher deductibles and threats of policy cancellation. Simply take a few minutes and pickup the phone to call for an evaluation.

OMG, you've just learned your plumbing is bad! Now what? This bad news may be just what you were trying to avoid: high replacement costs, community turmoil, increased maintenance fees, bank loans and stress. The good news is there are experienced companies that will help you through the process of your major plumbing retrofit-somewhat seamlessly. How long will it take?

Concept to Completion?

- · This could take three to five years.
- · Confirm there is a problem and vote to begin the process.
- · Interview qualified plumbing retrofit companies.
- · Determine the steps and the process.
- · Chip away at it one step at a time.
- Rushing the process will not yield good results—cheaper isn't always better.

The entire process can be a bumpy ride for the decision maker(s), but it can be avoided by due diligence.

As a community association, the retro-fit price tag could run into the millions, therefore it is of the utmost importance to do your due diligence. I suggest you only work with qualified and experienced plumbing retro fit professionals. Why? The answer seems obvious-because of the money outlay combined with multiple community personalities. Coupled with lack of communication, homeowners will question the process, push for the cheapest contractor, ask for short cuts and many times turn a deaf ear to only hear what they want to hear.

Kimo Pierce is managing partner for Hawaii Plumbing Group and can be reached at 842-9999 or kimo@ hawaiiplumbinggroup.com. For more information, go to hawaiiplumbinggroup.com.

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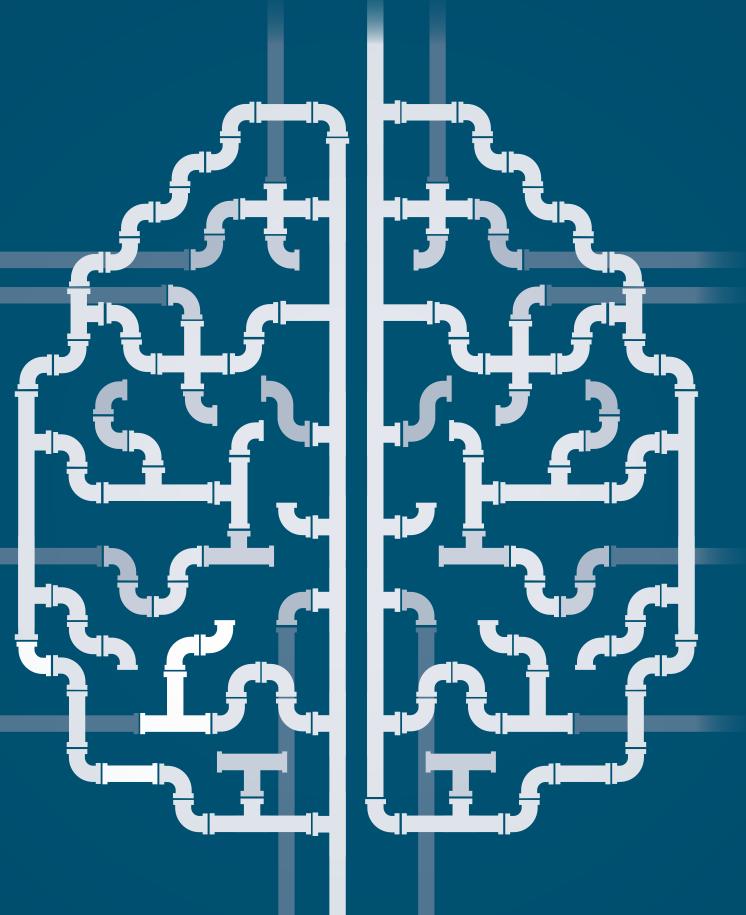
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ften overlooked, your raingutters, drains and downspouts are the main conduits for rainwater exiting your building properly. Quiet and unassuming, raingutters are a critical component of your building's roofing system.

Raingutters, by definition, prevent water ingress into the fabric of the building by channeling (controlling and directing) rainwater away from the exterior of walls and their foundations.

A properly sized, installed and maintained gutter and downspout system should allow for maximum water flow with the least amount of resistance.

Here's what you should be aware of before hurricane season hits—well, too late for that this year, but it's never too late to check your gutters.

Here's a checklist:

- 1. Clear rooftop drainage and scuppers
- 2. Clear downspouts, header boxes and gutters
- 3. Check for crumpled downspouts at the exit point
- 4. Check and clear internal gutters (warehouses)
- 5. Make sure intended water exit points are open
- 6. Weepholes cleared (skylights, window frames)
- 7. Check that PV penetrations are watertight
- 8. Replace/secure missing or loose roofing/flashing
- 9. Ensure gutter brackets are secured
- 10. Gutters should be properly sloped



Here are some commonly asked questions:

Q: What types of gutters are commonly installed?

A: There are a variety of material types including galvanized and copper gutters. Aluminum gutters are often selected due to cost effectiveness and material longevity.

Q: What's the newest in gutter innovation on the market?

A: Custom gutters with embossed designs.

Q: What is the most ideal type of gutter?

A: A seamless gutter is ideal due to minimized points of failure.

Q: When are gutter screens required?

A: Typically only recommended for high debris/foliage locations. Proper screen type and installation is key.

Q: How often do I need to clean my gutters and downspouts?

A: Annually at a minimum, but based upon site conditions as assessed by a qualified roofing contractor.

Q: What things should be addressed during installation?

A: Work with a qualified roofing contractor/installer to assess:

- Slope of the gutters (to handle correct drainage)
- Size of the gutters (to handle water volume)
- Material type compatible with existing building materials (flashing, etc.)
- Proper ground drainage setup

Lastly, remember your rooftop and drainage systems are exposed to natural elements that will leave sediment, foliage, debris and trash in places that were never meant to host build-up. Regular maintenance and cleaning is a must to keep the your drainage system ready to work effectively when the rains fall.

Jeff Gowan brings more than 30 years of roofing experience to CRW and is intimately familiar with roof leak nuances. Commercial Roofing & Waterproofing Hawaii, Inc. is the second largest roofing contractor in Hawaii with over two decades of service. Gowan also oversees the growing Raingutter Division at CRW.



"Commercial Roofing & Waterproofing executed the complete renovation, waterproofing, and beautiful design of our Pool and Recreation deck to our satisfaction, overcoming several challenges prior, during and after construction. CRW worked very closely with our resident manager to ensure the safety of our Owners and all involved. Important to any condominium association during a major construction project, communication was key and CRW exceeded our expectations."

- Shannon Noda-Carrol AOAO Board President 1717 Ala Wai Blvd.

ABOUT THE PROJECT

This project included a full pool and recreation deck demolition and restoration. CRW operated as the GC coordinating 9 subcontractors within a tight work and staging area. Unique aspects to this project included installing a two-color, 4,000 piece paver system across the pool deck, as well as a two-color Siplast PMMA waterproof coating over the recreation deck.

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& Downspouts



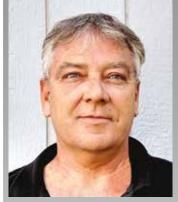
Maintenance Repairs



ON THE CUTTING EDGE

LIC # BC - 18179

What Happened to Your New Roof?



Kim Beattie

'ARNING: The accompanying photos are actual depictions of roof conditions documented by professionals. They may be disturbing to some viewers.

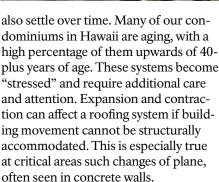
"What happened to our roof? It's only a few years old and now we need major repairs, maybe even a redo." Statements such as this are common from building managers. No one intentionally neglects their roof, but it's easy to miss this important structure since there are so many other pressing issues facing building managers. And since the roof is beyond the line of sight, even something as simple as a periodic cleaning can easily be missed.

First, let's examine the Leading **Causes of Premature Roof Failure:**

Fortunately, roofing systems today are manufactured to a higher standard than they were back in the old pitch and gravel days. A roof system today should have a life expectancy of 20 to 30 years if properly maintained. They can even last longer than 30 years with an effective service plan.

- 1. Lack of roof maintenance: The No. 1 cause of premature roof failure is neglect. Have those shake shingles become porous? That's a perfect environment for moisture and algae to thrive.
- 2. Pollutants: Restaurant owners and other building tenants are adversely affected by grease overflow, and owners pay hefty cost assessments as well. Grease damage is usually caused by defective exhaust units. Grease is an enemy to roofing material, causing degradation of the surface and extensive damage under the roof substrate and interiors areas.
 - 3. Structural movement: Buildings





- **4. Biological growth:** Vegetation/ algae growth in areas of ponding water (especially around roof drains) will certainly cause a roof system to fail prematurely. Plant roots eventually win this battle. They can burrow through the roof and/or clog the drain line. This is also a popular insect hangout, including centipedes and other insects that extrude fluids. Besides the obvious clogging of drains, biological growth and live organisms eat away at coatings and membrane material.
- **5. Putting off repairs:** This can add up to a much shorter roof life. If small problems are left unattended, they will keep growing. They never get better, so of course repairs must be immediate and as permanent as possible. Often, emergency leak repairs during



an ongoing storm must be addressed with whatever materials are available at the time, such as roof mastic and caulk. Even metal roofs can crumble from rust and debris. It's recommended that managers make a follow-up appointment with their roofer to return to make a more permanent fix and schedule repairs when weather permits.

6. Change in the use of the building: Sometimes the use of a building changes, causing factors that can affect the roof's performance. For example, changing the interior relative humidity of a building can cause severe condensation problems within the roofing system. The interior space of a building is just as important to consider as the exterior.

7. Exposure to extreme weather: Long-term exposure to the elements (sun, water, salt air) or exposure to pollutants and chemicals can cause premature failure to a roof membrane/ system. High winds, hail or heavy downpours that overflow the flashing heights cause immediate roof problems. It's a good idea to have an emergency plan in place in the event of a major event that requires immediate attention. Ask your roofing contractor if they offer such "emergency services."

8. Equipment additions/changes:

Items added by tenants are a very common source of roofing problems. This can range from exhaust fans, solar panels, satellite dishes to HVAC. Adding any new roof-top equipment requires a notification and possible onsite inspection from the manufacturer which holds the roofing warranty. Failure to do so will warrant a voidance of the manufacturer's warranty.

9. Trade Damage: Punctures, holes, etc., caused by other trades are not covered by the manufacturer's warranty. This is why it's very important to monitor who has access to your roof. Besides keeping a log, one of your staff members should check the roof at the beginning and at the end of each day workers or window washers are scheduled to work from the roof.

10. Unintended abuse: Vandalism or accidental damage can occur and go undetected for days, weeks or months. A conduit pipe, for example, can collapse as the result of an accident.

What Can You Do to Protect Your Roof?

A small amount of time and attention can definitely save costs both in the short and long run as well as increase the longevity of your roof. Most proactive measures are basic and worth the investment. Would you rather pay \$2,000 for a preventative plan or \$20,000 for repairs after the leaks occur? Maintaining accurate records, monitoring your contractor's activities—both roofing and other trades; clean and keep metal, masonry, and equipment in good condition and, most importantly, serve as advocate for your client by partnering with a roofing contractor who can perform the above and who is certified by major manufacturers of roofing products. As basic as it sounds, only a professional can determine the necessary services for your roofing needs and the most cost effective solutions to tackle your "to do" list without breaking the bank or compromising the health of your roof.

Kim Beattie is the manager for Beachside Roofing's Commercial Services Division. Kim and his team of professionals tackle leak investigations, roof inspections and roof maintenance.

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s a local general contractor, we have the opportunity to engage with a wide variety of clients. From homeowners and building managers, to association boards and developers, we constantly come across situations where project needs are met by conventional, even archaic beliefs.

The juxtaposition of materials widely known and established versus economical pricing and quality is very real. We have found that many customers, and even other contractors, are stuck in the belief that the most commonly used materials are the most cost effective, durable, and/or practical.

On the contrary, there are many new and innovative building materials that have undergone years of rigorous testing. Many of these products have proven to be more economical, environmentally conscious—in design, manufacturing, and application-and simply last longer than the conventional and most commonly applied materials. But you don't know what you don't know. So it might be time to look into some of the more innovative companies that are pioneering the education, distribution and application of the newer materials. Who knows, you might learn something along the way. You might even save some money and still end up with a superior product.

One of the newest innovations in roofing, for example, is being pioneered by one of the oldest manufacturers in the industry. CertainTeed, of Saint-Gobain, has designed a line of metal roofing systems that flawlessly imitates, and is intended to replace, clay tiles, cementitious tiles and wood shakes. In most cases the metal materials are more aesthetically



pleasing, durable, environmentally friendly and cost effective. This is just one of many innovative materials that we find is met by much resistance due to old associational rules and inadequate client education. We believe that with proper education and patience we will be able to garner greater adoption of these superior materials statewide.

We would urge management of all types to truly consider the reality that a temporary fix in this industry will only lead to greater costs and losses in the future. Next, do your due diligence and bluntly ask your contractor if the scope outlined in the bid is to code and meets industry standards. Lastly, compare both workmanship and manufacturer warranties when considering the high,

median and low bids. Hawaii State maximum workmanship warranty is seven years in most cases.

So where do you go? High? Medium? Low? Learn to ask the right questions. Always request a sit-down with your contractor to go through each line item of the bid. Use intuition. Take solace in knowing that you typically get what you pay for. Justify your spending with the longevity of your products and the comprehensive warranties that accompany those materials.

Matthew Barberi is an entrepreneur and company builder whose latest venture is Ohana Construction Inc., which was named one of Hawaii's 50 fastest growing companies.

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Sonny Leandro *Branch Manager*



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Keeping Rooftops Cool and Efficient



hen looking at reroofing an apartment complex, high-rise private residence or investment home, there are many things to consider. Examples include new energy code compliance, soundness of the substrate, fire rating, wind up-lift warranty, manufacture warranty and installer qualifications.

One code to review for good reason is the ICC 2006 Energy Efficient Code. As the Heat Island Effect is continually rising with no evidence of slowing down, higher urban temperatures have serious impact on the electricity demand for air conditioning of buildings and increased smog production, as well as contributing to increased emission of pollutants from power plants, including sulphur dioxide, carbon monoxide, nitrous oxides, and suspended particulates. In short this means a warmer climate for us all, and we need to look at better roofing systems to keep our demand for more electrical cooling consumption by using

better energy-efficient roofing systems.

This code can be confusing, It is often hard to understand what is required, and the equivalents needed to meet requirements. But



there are some unique ways you can achieve code compliance and get your property or facility cooler, while keeping cost under control.

As an example, when looking at your roofing project there are several different ways to meet the energy code.

Requirements state that insulation

insulation at the ceiling must equal R-30; insulation at the ceiling level must equal R-19; and

at the roof substrate, a value of 15 insulation is required.

If these are hard to meet because of

existing conditions, or cost impacts. Look at Energy Star roofing systems that are high in thermal emittance, such as cool roof coatings, single-plys, and Energy Star metal and cool roof asphalt shingles. On slope D roofs, adding a solar vent, ridge vent, APA-rated Radiant Barrier panel or radiant sheet installed inside attic space can help you meet equivalent code compliances, which can save you money on your next project.

High-reflective, high-emissive cool roofs are capable of reflecting 70 to 90 percent of the sun's energy when newly installed, so most of the energy is radiated away. Conventional roofing materials have reflectivity of 5 to 25 percent, meaning they absorb 75 to 95 percent of the sun's energy. A typical "white" cap sheet roof only reflects 25 percent of the sun's energy. The absorbed energy



is then transferred to the building.

Emissivity is the ability to radiate away absorbed heat. Most cool roof coatings emit 90 percent or more. Even though aluminum coated roofs are highly reflective they are not considered a cool roof because they only emit 50 to 60 percent of the absorbed energy.

Here in Hawaii, conventional roofs can get up to 180 degrees on hot, sunny summer days. A cool roof coating keeps the roof at just 10-15 degrees above the air temperature. This means a cool roof can be 80-90 degrees cooler than a conventional roof.

Cooler roof surfaces mean less heat is transferred into the building. If you use an air conditioner in your building you will save money on cooling energy. How much you will save depends on many factors including roof insulation, cooling system equipment and other variables.

In the right situation a cool roof will mean a longer life expectancy, cooler living space and money savings due to your property's reduction in peak cooling demands.

Sonny Leandro is branch manager on Oahu for Roofline Supply & Delivery. He has 18 years' experience in distribution and over 23 years of construction knowledge. Contact him at Sleandro@ rooflinesupply.com or 682-5104.



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Taking the 'Pulse' of Your Building



Kapono F.H. Kiakona

hile there seems to be a new condominium building going up every week in Kakaako, the vast majority of Hawaii's condominiums were built prior to the 1990s. What does that mean for Hawaii? Like us, condominium buildings are aging. Aging buildings need continued maintenance, and often have expensive repairs and replacement items. The overall "health" of the building requires that condominium boards (and their owners) keep a check on the "pulse" of the building and understand ways to fund these capital repair projects. Ignoring these issues is not an option.

A condominium association's normal way of paying for the repair and replacement of capital projects (painting, re-roofing, re-piping) is through reserves accounts. Section 514B-148(b) of the Hawaii Revised Statutes requires the Association to fund "50 percent of the estimated replacement reserves or fund one hundred percent of the estimated replacement reserves when using a cash flow plan" through owner assessments. The replacement reserves are determined through a reserves study. Reserves studies estimate how long the capital components of the building will last, and the estimated replacement or repair or replacement costs. Essentially the reserve study is like a "checkup" and the building's health plan intended to keep the building operating efficiently.

The key term in this is "estimate." Boards are required to make a goodfaith estimate of the replacement costs and remaining life of various capital components. While Boards do their best to obtain accurate information with the assistance of their managing agent,



estimates as to timing and cost can be wrong. This is not an exact science. For example, there has been a recent spate of buildings requiring replacement of cast iron waste lines decades earlier than their anticipated life expectancy. Coupled with the rising costs of construction in Hawaii, this makes it difficult to always predict when the building's major components will fail. Again, Boards do their best to maintain the overall "health" of the building.

When the planning and estimating does not work, and there are not adequate funds in the reserves for the failed capital component, as in the failed cast iron pipes, Boards need emergency funds to make up the shortfall. At that point, Boards typically have three options: 1) levy a special assessment, 2) allocate the funds from other designated reserves, or 3) borrow from the bank.

A special assessment can be troubling for owners. While the option is available, levying a special assessment on the ownership is often a last resort. A special assessment requires an immediate infusion of funds from all owners during the current budget year. Therefore, an association of 80 units, facing a construction shortfall of \$1 million would have to specially assess each owner for an immediate payment of \$12,500. It is unlikely that all unit owners will have the ability to shell out that kind of money in addition to their current expenses and maintenance fees.

The other option is for the Board to consider "borrowing" funds from other specifically designated reserves to pay for the emergency construction shortfall. The Hawaii Administrative Rules § 16-107-66(c)(1) provides for some flexibility as to the use of separately

designated reserve funds. Similar to the requirements of a special assessment, the Board must determine that there is an emergency situation and pass a resolution "containing written findings as to the necessity of using the replacement reserves for other than their designated purpose, the necessity for the expense involved, and why the expense was not or could not have been reasonably foreseen in the budgeting process[.]"

The Hawaii Administrative Rules (16-107-66(c)(2) also allows the Board to use up to 50 percent of any fund in the replacement reserves for the purpose of any other fund. If the Board elects to do so, the Board minutes must reflect the change in use of the fund and the dollar amount used for another fund. This procedure is useful if one item on the reserve study needed major maintenance/replacement ahead of schedule (e.g., if the roofs are not scheduled for replacement for another five years but unexpectedly need to be replaced immediately, the Association can "borrow" money from the elevator replacement fund).

In the end, most Boards look to the third option of borrowing from a local bank. Doing so allows the association to amortize the amounts owed over a longer period of time, thus making the assessments or payment obligations by owners much more affordable. Borrowing funds from a lender, however, requires the approval of at least 50 percent of all unit owners. It is important to remember that § 514B-105(e) Hawaii Revised Statutes specifically says that the vote is subject to approval requirements or spending limits contained in the project documents. The board must adhere to any project documents requiring a higher percentage vote to borrow money. To do otherwise will jeopardize the ability of the association to receive the funds. The vote should also be clear that the authority to borrow includes the authority to refinance. It does not make sense to have a future board have to send out another vote in order to take advantage of better interest rates.

Once the vote is completed, the Board should consider the loan repayment options for owners. Boards have the ability to separate out the loan payments from the regular costs, thereby allowing owners to pay a lump sum or make individual monthly payments. Otherwise, the Board has the authority to roll the payments into the regular monthly assessments as a cost to the Association.

As buildings age, boards and their associations need to continually check on the overall "health" of the building by continually updating their reserve study and reviewing it closely, and understand funding options in the event that the Board's estimates fall short or an emergency should arise.

Kapono F.H. Kiakona has more than 11 years of expertise in condominium and community association law. Kiakona concentrates his practice on association law and all transactional legal matters that transpire with the governance of associations. He also has experience in commercial, real estate, and construction litigation; mediation and arbitration; and foreclosure law.



Insuring the Board **Against Legal Liability**



Elaine Panlilio

he Directors' and Officers' Liability Policy (D&O) is errors and omissions coverage for the community association's board of directors and officers. It also extends to trustees, employees of the association, committee members, volunteers, property managers and property management firms.

As a board member, you could do everything right and still get pulled into a lawsuit. Additionally, you can also be held personally liable for your decisions as a board member.

In 2013, a husband and wife filed a lawsuit against their Molokai condo association for the retaliation they faced in attempting to elect new board leaders. The final verdict resulted in \$1.175 million in favor of the couple. This was one of the largest D&O disputes in Hawaii.

With Hawaii having the largest concentration of condominiums in the country, issues that come with living in a community association and serving on the association's board impact many residents and homeowners here.

Here is a list of best practices to help your board avoid potential lawsuits and D&O claims:

1. Know and follow the rules.

The Board's failure to adhere to bylaws is one of the most common D&O claims, and this is preventable. Perhaps the best analogy for the Directors' & Officers' role would be that of a referee. In order to enforce the rules, they must know the rules. With the changes in board composition, new board members should receive and be required to read the association's by-laws, the covenants, conditions and restrictions (CC&Rs) and any other governing documents.

2. Make sure the rules are current.

Consult with the association's legal counsel to ensure compliance with current laws.

3. Operate like a business.

Things can get really personal when dealing with people's homes, so adhering to Parliamentary Procedures or Robert's Rules of Order when conducting a meeting is a way to keep emotions and personality conflicts from getting in the way of effectively governing the association.

4. Elect board members who can act professionally at all times and those who understand the time and the commitment it takes to serve on the board.

5. Keep good records.

Maintain accurate records of meeting minutes, financial records and complaint logs. Accurate records are the best defense against challenges to the Board's decisions and actions.

6. Limit e-mail use

E-mail use should be limited once there is a complaint or lawsuit because these become a source of discoverable information. As a general rule, do not email something you are not comfortable saying in a deposition or in front of a courtroom.

7. Ensure adequate coverage.

The D&O policy does not cover suits brought about by inadequate insurance coverage or the Board's failure to purchase coverage. To avoid uncovered claims, conduct policy reviews with your association's insurance agent to ensure that the association's policies meet the limits as set forth by the governing documents. Also confirm that the D&O policy covers past, present and future directors and officers and their spouses, committee members, volunteers, association employees, the property manager and the property management firm.

8. Immediately notify the insurer of any claim.



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Most D&O policies require timely notice of claims. They also require notice of incidents that may give rise to a claim. Since insurers are in the business of risk management, they can assist in potential claim situations and in the early resolution of a claim.

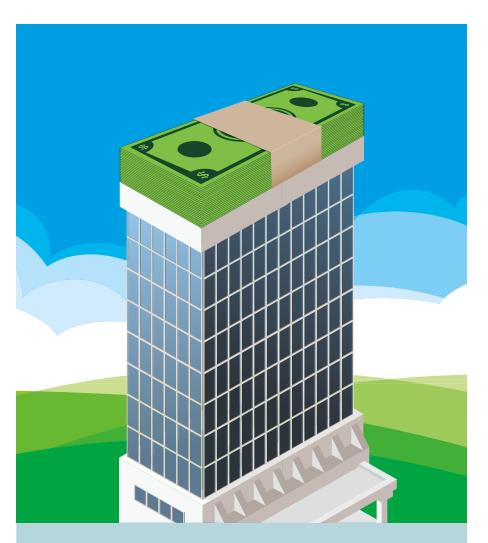
Part of the Board's fiduciary responsibility is to ensure the association has the appropriate coverage at the appropriate price, which makes it necessary at times to bid out your insurance program. However, it is best practice to keep your D&O Policy with the same insurance company — continuity of coverage is important because the D&O Policy is a "claims-made" policy.

In most "claims-made" policies there will be a retroactive date. A claim against the insured is covered by the policy in place at the time the claim is made as long as the incident occurred after the retroactive date. If available, request "Full Prior Acts Coverage" since this will eliminate the retroactive date and will cover acts that were made by the previous boards.

But in situations where the only option is to switch D&O insurance companies, it is best practice to request an Extended Reporting Period or "tail coverage." This will provide the extra time (usually 30-90 days after the expiration of the policy) to file any claims. All the past and the present Board directors and officers will also need to be asked in writing if they are aware of any incidents that could potentially give rise to a claim. These incidents will then need to be reported to the expiring D&O policy before the "tail coverage" expires.

Avoiding lawsuits, avoiding D&O claims and effectively governing your community association are very important undertakings. What this article aims to achieve is to help you protect your community association by imparting solutions and knowledge on how to avoid the most common scenarios that could lead to potential lawsuits and D&O claims.

Elaine Panlilio, CIC, CISR, is an account executive in the AOAO Unit at Atlas Insurance Agency, the largest locally owned insurance agency in Hawaii. She can be reached at (808)533-8766 and at epanlilio@atlasinsurance.com.



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The Value of Business Interruption Insurance



an your business afford to not have business interruption insurance? A severe property loss, such as damage from a fire or explosion, can cause significant financial hardship to your business. While most companies have property insurance to protect themselves against such losses, the income lost during a business shutdown can be even more devastating. Without the right coverage in place, the company may suffer a blow from which it will be difficult to recover. Business interruption insurance may be the one thing that keeps the company in business.

The standard business interruption policy promises to pay for business income lost due to a necessary suspension of operations caused by loss of, or damage to, the business premises. For coverage to apply, the cause of loss must be one the



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that the firm would have earned, plus continuing normal operating expenses. Therefore, the policy will not bail out a company that was headed for a period of unprofitability. If the company was expecting a \$300,000 loss and continuing expenses (including payroll) of \$400,000, the most the policy will pay is \$100,000 (\$400,000 expenses minus \$300,000 loss.)

When a loss occurs, the insurer will determine the actual loss the business sustained. To do this, it will examine the company's financial statements for the time periods leading up to the loss. It will determine which costs were fixed, such as debt payments, permits and salaries. It will also separate out costs directly tied to sales. For the owner of a commercial building property, it would be linked to the income made from its tenants' rent. Finally, it will calculate the company's expected profit or loss for the period. The sum of expected profit or loss and normal continuing expenses equals the actual loss sustained.

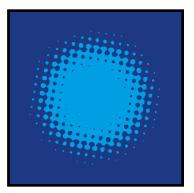
The actual period of the loss may differ from the period the insurer calculates. The insurer will pay for business income lost during the "period of restoration." This period usually begins 72 hours after the damage occurs to the premises. It ends on the date the damaged property should be repaired, rebuilt or replaced within reasonable time and similar quality or on the date when business resumes at a new permanent location, whichever is earlier. If the business owner is slow

to approve architectural plans or if rebuilding takes longer because the owner decided to make improvements, the insurer will not pay for the entire period of loss. Also, the insurer will reduce the loss period if the company can reasonably take steps to shorten it. These steps might include, but are not limited to, using temporary facilities, shifting work to undamaged sections of the building that are safe and usable, or adding work shifts to make up for lost production.

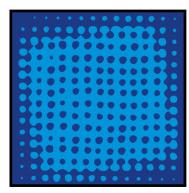
If the company has to spend extra funds to reduce the amount of lost income, the insurer will cover at least some of the funds. Some examples of what an insurance carrier will cover are additional rent for a temporary relocation, express shipping charges necessary to get machinery in place sooner, and increased construction costs to expedite the repairs. These are some of the instances where the insurance carrier will cover because the company has made an effort to move the claim process along quicker to have the business back up, running and operational. This action by the business reduces the amount being paid out by the insurer. The insurer will not pay more than the amount of income the company would have lost. It will only pay for expenses that actually reduced the business income loss.

Many choices are available with business interruption insurance. Options can include or have to do with the length of the recovery period, amounts available each month, required amounts of insurance, and a variety of other options. To help determine the business interruption coverage options that your business might need, a thorough discussion with your insurance agent would be a great start. Taking the steps to reduce this exposure may take some time, but given the financial loss potential, this coverage is too important to a company's survival for an owner to pass up. In the long run, every business should consider adding business interruption insurance to the company's insurance portfolio.

Brandon Bell is owner/president of HI Insurance & Financial Services Inc., which specializes in business and commercial insurance. He has been in the insurance and financial services industry since 2004.



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Having Sprinklers is Not Enough



he effects of a fire catastrophe can be devastating. Those effects get exponentially worse if your property does not have adequate fire protection or your fire protection system is in disrepair resulting from the lack of professional maintenance.

The tragic fire at Marco Polo in Waikiki is a vivid reminder of how important life safety is to our community as a whole. Although the building was grandfathered in and, per code at the time, did not require a fire sprinkler system, it has brought forth a continuation of the serious discussion regarding mandatory retrofitting of all high rises over 75 feet to protect life and property within the state of Hawaii. Statistical data provided by the National Fire Protection Association (NFPA) finds that roughly 90 percent of all fires are extinguished by a fire sprinkler system with no additional firefighting needed, and 80 percent of those fires are extinguished with three or fewer sprinklers.

Moreover, an unmaintained system can be unreliable, and could be just as bad as not having one at all. Fire sprinkler systems play a very significant role in the protection of your property and the lives of occupants. The key to this is to put in place a maintenance program for dependable operation and maintain compliance with codes and ordinances. Your safety isn't ensured with merely having a fire sprinkler system in place, it needs to be working. A properly designed and maintained fire protection system prevents loss of life and property damage and responds to emergency situations 24\7 every day of the year. The best way to ensure this is through thorough annual inspections, testing and maintenance programs provided by a



licensed and professional fire protection contractor or professional engineer.

An annual inspection program by a licensed fire sprinkler contractor or inspection service includes:

- **INSPECTION:** A visual examination of a system to verify that it appears to be in operating condition, has not degraded due to environmental conditions and is free of physical damage.
- **TEST:** A physical trying or operation of a system, or part of a system, to prove that it is functioning properly, as intended and originally designed.

• MAINTENANCE: Repairing and maintaining the equipment and overall system in operable condition.

The governing code is NFPA 25, which is "the Standard for the Inspection, Testing and Maintenance of Water-Based Fire Protection Systems." It states:

"The property owner or designated representative is responsible for properly maintaining a water-based fire protection system. The designated representatives may be the building occupant, management firm, or other person specified in a lease or contract.

The building owner may elect to outsource the ITM services to a sprinkler contractor or other inspection, testing and maintenance service. When the service is contracted to others, the building owner is typically the responsible party who should be overseeing the work, reviewing reports, and authorizing repairs when needed."

If any deficiencies are found during the NFPA 25 inspections that render a sprinkler system unsatisfactory within NFPA standards, a red noncompliance tag is required to be attached to the main control valve indicating that corrective action must be taken and immediate action should be taken to avoid fines and other serious liabilities.

Living in a coastal environment, the chlorides (salt) and the moisture in the air can deteriorate your fire sprinkler system at a far quicker pace than other parts of the country. Corrosion can have a serious impact on your building's fire protection system and be very costly if it deteriorates to the point of a leak or blowout. Being able to identify areas of concern and minimize cost impact is the key part of maintaining a system. Corrosion accumulates in sprinkler pipe and fittings which can cause leaks, but what's worse is it can limit the flow of water, making your sprinkler system less effective, and sometimes can completely obstruct water to a sprinkler when it's needed most—during a fire. If you are not inspecting your system annually, these issues may not be identified until during or after an emergency in cases where corrosion has caused unknown blockage. This is just another reason why high-quality inspections and proper maintenance are necessary.

Installation of fire sprinklers in your commercial or residential building is the most cost-effective way to protect your property and lives of your occupants. But it is also necessary to perform regular fire sprinkler system maintenance, which is exceedingly important in ensuring that your system is always in good repair and working properly.

The current fire codes in Hawaii require all new construction of commercial and multi-family residential

housing to have fire sprinkler systems installed, and for good reason. Honolulu Fire Department estimates roughly 300 buildings over 75 feet high were grandfathered in that don't have a fire sprinkler system. This is primarily because when they were built, it was a cost reduction not to include sprinklers. While it is true that retrofitting these buildings with fire sprinkler systems will be expensive, perhaps with some relief from insurance savings, the real issue is life safety. Asking ourselves how much a life is worth brings forth the reality of loss and that no value can be assigned to someone's life except in a settlement process.

Jason Blinkhorn is the fire protection operations manager at Dorvin D. Leis Mechanical. He has 15 plus years of experience in the fire protection industry in North America, as a firefighter, fire protection engineer and fire protection operations manager. For additional information call 792-0416 or email at jasonb@leisinc.com.



A Checklist for Disaster Recovery



fter a disaster strikes, safety is always the number one priority. It is imperative to protect lives before physical property. Emergency plans and the immediate safety of all personnel should be addressed first. Whether it be fire, flooding, earthquake, storm, or any other disaster, there are many safety issues that must be taken into consideration before proceeding with the recovery process. Some safety issues include drowning, poor water conditions, disease, smoke inhalation, contact with asbestos, and electrical hazards, to name a few. Once safety has been achieved, contact a reputable restoration company and your insurer.

Communications and Contacts

- Identify an in-house emergency team to develop, maintain and implement the recovery plan. Recommended members: Safety Director, Records Manager, Information Technology, Facility Maintenance Manager, Risk Management, Administrative Assistant.
- Establish a relationship with local public officials, first responders and utility companies.
- Identify ONE person as the main point of contact, along with at least two alternate people.
- Identify who will immediately contact their pre-selected disaster recovery company. This action should be done immediately after safety issues are addressed and first responders are called.
- Identify who will contact your insurance company or representative.
 - · Determine how you will com-

municate with employees and who will be responsible for reporting to work. Create a tier system, with Tier 1 being critical employees who must report to work, followed by Tier 2 employees who are essential but not required during a catastrophe.

- Identify vendors that should be immediately contacted and who within your organization will be responsible for this task. Create a Vendor Contact list and prioritize those who must be contacted day or night.
- Identify suppliers that must be contacted to redirect or cancel product shipments if necessary. It is important to avoid deliveries in the middle of a disaster unless they are critical to your immediate recovery.
- Identify one primary staff member who is allowed to communicate with the media. Customers and employees will turn to media sources for information during a catastrophe. Consistent messaging is important.

Off-Site Secure Storage: Emergency Recommendations

- Emergency Contact Names and Phone Numbers
- Spare Keys and Access Cards
- Building Evacuation/Emergency Plan
- Building Floor Plan/Maps
- Essential Records/Data Including Customer and Employee Data
- Inventory List equipment, machinery, electronics, supplies, product inventory, furniture, fixtures, etc. Photographs are recommended.
- · Copy of Insurance Policy
- Copy of Disaster Recovery Services Contract

Know Your Building Or Facility

Know and document the location of all emergency systems:

- · Main water shut-off valve
- · Sprinkler shut-off valve
- Main electrical cut-off switch
- · Main gas shut-off valve
- Heating and cooling system controls
- Fire Suppression Systems (by room or area)
- Water Detectors
- Fire Extinguishers (including type)
- · Fire Alarm Pull Boxes
- · Smoke and Heat Detectors
- Key Boxes (individuals with master keys)
- Radios (two-way for communication) and Cell Phones
- · Fire-Proof Safe
- Assign qualified personnel to immediately shut down emergency systems and all equipment. DO NOT reconnect—even for test purposes—until it is safe to do so.
- Secure the building to prevent unauthorized entry.
- Maintain an inventory list of all product inventory, electronics, equipment, machinery, tools, supplies, furniture, fixtures, etc. This will be important for insurance purposes. A copy or electronic version should be maintained and stored off-site.
- Maintain and store essential records and data backups off-site.
- Document your facility with photographs before and after a disaster. This is extremely helpful for insurance purposes and during the claims process.
- Have a plan to temporarily relocate part or all of your business until the recovery process is complete.

Sourcing potential temporary space before a disaster can help limit business downtime and prevent the loss of your customer base.

• Notify your insurance company and your disaster recovery services company as soon as possible. It is important to establish a relationship with a reputable disaster services company prior to any disaster or catastrophe. Being familiar with your facility, emergency plan, and insurance representatives will help speed your company's recovery process.

Best To Have A Disaster Recovery Company That Can Provide The Following **Commercial Services**

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- Water Damage Restoration
- Storm Damage Restoration
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- Safety Inspection and Evaluation
- Site Containment
- Water Extraction and Dehumidification
- Corrosion Control
- Demolition
- **Equipment and Machinery** Restoration
- Thorough Decontamination
- Industrial Ultrasonic Cleaning
- Rebuild and Repair Backed by a Warranty
- **General Contracting** and Reconstruction
- Temporary Shoring / Board Up
- Shrink Wrap and Containment
- Full-Scale Carpentry
- Electrical, Mechanical and Plumbing
- Interior Build-Out and Finishes
- Construction Defect Reconstruction
- Roofing (All Configurations)
- High-Rise and LEED-Certified Reconstruction
- · Historic Reconstruction and Restoration
- Mold Remediation
- Deodorization
- **HVAC** Cleaning and Restoration
- Document and Media Recovery
- **Contents Restoration**
- **Electronics Restoration**
- Semiconductor Decontamination Services
- · Environmental Services

- · Asbestos, Lead and Mold Abatement
- · Hazardous Waste Removal
- Spill Response and Fuel Releases
- Site Remediation
- · Contaminated Soil Removal
- · Facility Decommissioning
- Consulting Services

Jessica Miriga is the marketing manager at BELFOR Hawaii. She and the BELFOR Hawaii team respond to losses and provide emergency damage

restoration and reconstruction on all the Hawaiian Islands on a daily basis. Locally, BELFOR Hawaii has responded to large jobs for many local properties and institutions in Hawaii such as the floods at Hamilton Library at University of Hawaii and the 2011 tsunami on the Big Island. BELFOR has also aided with the cleanup of disasters including West Coast wildfires, the 2009 tsunami in Samoa, and "Superstorm Sandy" on the East Coast.

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Maintenance Can Avoid Calamities

By Anthony Nelson

aving worked in property restoration for over 16 years, I am often asked the same question by folks who manage buildings and their infrastructure: "How do I prevent the next water damage, flood or mold issue?" The reality is that the buildings we manage are subject to an enormous amount of external and internal forces including:

- · Age/deterioration
- Weather
- · Fluctuations in water pressure
- Lack of proper maintenance
- Improper renovations/additions
- · Occupants of the property

A majority of the events we handle on a daily basis are unpreventable, and the risk and effort that would go into preventing such events are simply just not cost effective. There are, however, a few things that you can be aware of that will help reduce the likelihood of the next event occurring on your watch.

Over the years, disaster planning has become associated with an endless set of three-ring binders filled with a plethora of "what-if" information to be employed when emergency events occur. But reams of printed paper are rarely the first place that building occupants or managers turn to in the event of an emergency. During an emergency, you turn to a person, usually a very specific person who has intimate knowledge of the building's systems and infrastructure, someone like a resident manager, site manager or member of your engineering department. This trusted expert becomes that endless set of information in the event of an emergency.

While it is important to have someone on-call with this type of specific knowledge, designating another person who knows the ins-and-outs of the property is crucial. Someone who can be called upon when that key person decides to take two weeks to go fishing in some remote part of Alaska with



no cell service. The average one-inch water line can leak 58 gallons a minute. A four-inch fire suppression main can leak 240 gallons a minute. When you start adding up the extra minutes it can take when you do not have a second in command, the potential savings turn into thousands, if not tens of thousands of dollars, very quickly.

Where the traditional disaster plan has its merits is in providing a checklist of steps to follow in the event of an emergency. Below are a few excerpts we collaborated on last year with a property that appointed their second in command:

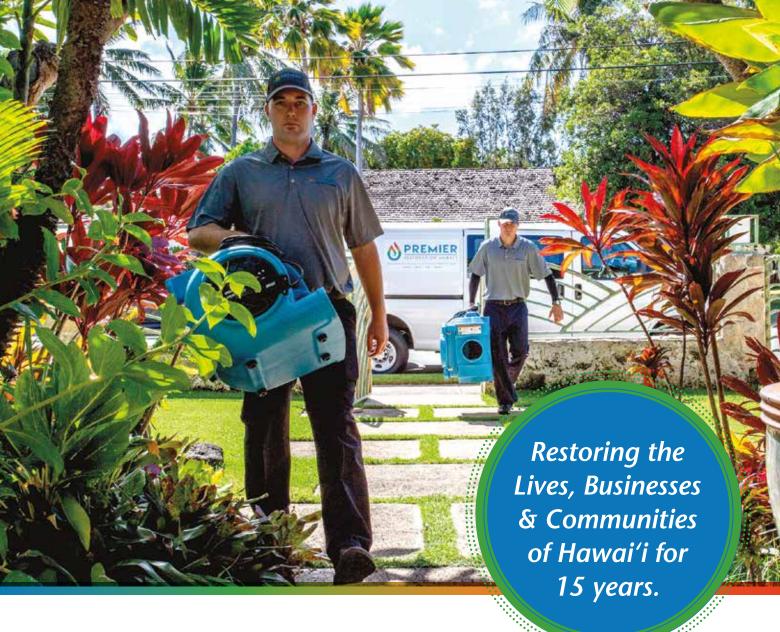
1. Water and Fire Damage Emergencies

- a. Location of water shut-offs in each unit/unit stack
- b. Location of electrical shut-offs in each unit/unit stack
- c. Contact information of property

- restoration companies approved to work on property
- d. Contact information of specialty vendors of proprietary building systems
 - i. Fire Alarm
 - ii. Elevator/escalator
 - iii. Security
 - iv. Fire Sprinkler/plumber
 - v. Electrician
 - e. Contact information for the property's insurance agent
 - f. Documented procedures for how losses are handled, from shutting off the water to how insurance claims get filed

2. Mold/Asbestos Issues

- a. Asbestos and mold awareness training
- b. Procedure for what can be addressed in-house and what can go to a vendor



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- c. Proper containment procedures
- d. Contact information for the indoor air quality vendor approved to work on property

As you can see, the plan can be simple. Usually once you start asking the questions, you will find out you already know all the answers, but there is great value in not having to think about what is next and simply focus on executing your disaster plan.

When we talk about building maintenance and water issues, the plumbing system is typically the No. 1 culprit. Rather than focus on the key issues like cast line replacement and old water heaters that we are all aware of, I would like to focus on the issues where a little effort can save you some serious dollars.

- 1. **SUPPLY LINES** Any plumbing appliance is usually connected to a shut-off via a supply line. These supply lines can range in a variety of materials. Our preference is a stainless steel braided rubber hose with threaded connections. Other models are the culprit for a lot of the work we do that can easily be prevented. Either including these inferior models in your maintenance plan to replace them or simply spec them as required on all work going forward could save you from your next issue
- 2. WATER PURIFICATION SYSTEMS For the same reasons above, it is the supply lines we see a lot of issues with. A lot of these supply lines are made from inferior materials. Some buildings have banned them completely. If you decide to allow these systems, again, use spec-only systems that have stainless steel braided lines with threaded connections.
- 3. REGULAR DRAIN/WASTE LINE MAINTENANCE As infrastructure ages in our buildings, so do the pipes. The diameter of a cast iron pipe will decrease in diameter as the iron oxidizes. Having a regular maintenance plan with the plumbing vendor of your choice will go a long way in preventing backups and will give you an idea of the useable life left for those pipes.

4. AFTER-THE-FACT ROOF PENETRATIONS/MODIFICATIONS -

Most quality commercial roofers will offer a substantial warranty that will become invalid if someone else does work on the roof. With the recent boom in solar, we have seen a lot of otherwise completely perfect roofs start leaking following installation of solar panels. The solution: Whenever you have work done that will modify or penetrate the roofing membrane, always have your roofer available to consult to prevent a leak and to avoid possibly voiding your warranty.

A little can go a long way in preventing property damage from occurring. While it is common to feel defeated before you even start when it comes to prevention, a few small well-executed steps can help tremendously in preventing your next building calamity.

Anthony Nelson is senior VP of operations and certifications at Premium Restoration Hawaii, as well as an applied microbial remediation technician, applied structural drying technician, carpet cleaning technician, carpet repair and reinstallation technician, color repair technician, commercial drying specialist, fire and smoke restoration technician, health and safety technician, odor control technician, resilient flooring Inspector, and water damage restoration technician.

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5 Essential Challenges to Avoid Water Damage



f the many challenges faced by property managers, risk managers, building owners, and building management professionals, probably the most challenging are water intrusions into their building. Water intrusions are some of the most perplexing and complex problems. If not addressed correctly, damage can exponentially increase and even become dangerous to occupants. In order to help facilitate a successful solution to a water intrusion, there are five essentials every building professional should know.

1. Work with what you know to discover what you don't.

Building managers, maintenance personnel and property managers are the most knowledgeable about their buildings. They inherently have intimate knowledge of the structure, systems and fixtures. In short, they know why this wall zigs when that one zags, and what is behind it all. This is the biggest asset in a water damage intrusion event. Many properties, especially older ones, do not have current or accurate plans onsite. If you do not have plans, it is highly recommended that you get a copy and have an electronic version of them stored in a cloudbased drive, or at an offsite location, in case the building is damaged where the plans are stored. Electronic copies have become the standard and are most beneficial to outside vendors who may be called to assist, such as mitigation vendors, construction consultants, engineers and insurance professionals.

The first step to a solution is to gather as much information as possi-

ble. This is usually best accomplished by those who know the building best. For example, if a water event starts in a unit, it is always easier to ask the tenant what happened. While this is a good starting point, it is only the tip of a proper investigation. A building professional should either start at the source, if it is known and work out to determine the perimeter of the damage or, if the source is not known, try to work out to a perimeter to triangulate the source. Sometimes, determining the exact source of the water requires removing or disengaging building materials, or disengaging systems. These may need to be handled by specialized professionals under the supervision of the building manager. Once the source is discovered, a proper remedy can be found.

The Institute for Inspection, Cleaning and Restoration Certification (IICRC – iicrc.org) is the standard-bearer for water damage and mold. They write the only American National Standards Institute (ANSI) standards on the subject. According to the latest ANSI/IICRC S500 Standard and Reference Guide for Professional Water Damage Restoration, water intrusions are put into three categories. They are, in essence:

- 1. Water that comes from a clean source and enters a building that is not contaminated.
- Water that comes from a gray water source and enters an uncontaminated structure, or water that comes from a clean source and enters a structure that is contaminated.
- 3. Water that is grossly contaminated and can cause serious illness or injury through ingestion or dermal exposure.

Even though there are three categories of water intrusion, there are really only two responses: contaminated and uncontaminated. If the intrusion is uncontaminated and small enough in scope, it may be possible to perform the cleanup and repairs in-house, as long as the staff is properly trained for such tasks. If the intrusion is contaminated, it is usually best to retain the services of a vendor that is properly trained and certified by the IICRC to perform the services required to restore the property. Bottom line, get as much information as possible prior to initiating services.

2. Know your building

Most building managers, property managers, and maintenance professionals intimately know the layout and, in many cases, mechanical, electrical and plumbing systems of the property. They also know their occupancy: the tenants, pets, staff and other occupants. However, there is more than the footprint and the people. It is important to know where all valves, disconnects and clean-outs are in the plumbing. Further, it is important to have a good understanding of the fire suppression, electrical and other mechanical systems. It is one thing for the facilities people to know where they are, but is it properly documented, clearly marked and mapped out? Many properties, especially those with long-standing staff members and managers, allow these tasks to lapse because they know it and have it committed to memory. The issues arise, however, when something happens to that manager or staff member—vacation, retirement, etc.—and the knowledge is lost.

Beyond the plans for the building,





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systems and fixtures, it is important to have an offsite or cloud backup of the location of these important sites, as well as any codes for lockouts and alarms. Having these items handy can immensely reduce the amount of time water is running and reduce the overall damage to the building. It is also tremendously helpful to review these procedures and the location of these items with local first responders, namely the fire department and public works departments. This simple item can save a property owner tens of thousands to millions of dollars in damage.

3. Know when and who to call when it gets to be too much

In many cases, the facility maintenance crews can handle small and in some cases, intermediate size cleanups and repairs. But every water damage is different. Some may require a tradesman, some a mitigation and drying company, some may even require engineers and architects. Whatever the need, it is always best to have a record of these vendors on file and at the ready. It is also a good idea to have these vendors pre-qualified and in the accounting system. Further, get pricing and some basic scope scenarios pre-approved. This will help expedite and make completing the project much easier. In short, have a communication tree with pre-approved vendors, agreed pricing and a short list of scope items to get things started.

4. Have a Plan

Being completely prepared for a water intrusion is next to an impossible. However, the next best thing is to have a plan to cover the basics. The specifics of the plan can be as detailed or as sparse as the needs of the building. However, beyond the plans and lists we've previously discussed, there are a few other items that are useful in every plan. First, a plan should be as general as possible to account for many types of losses, not just water intrusions. Fires, vandalisms, and other types of peril should also be covered in this plan. Therefore, vendors may be added to the list of contacts and pre-approvals. In addition to those mentioned above, it is often beneficial to have other trades, engineers and an industrial hygenist. For buildings built within the past 10 years or older buildings that have undergone major renovations in the past several years, it is also beneficial to have the original builder and/or developer's information available. This information is often requested by the carrier's representatives.

In addition to the physical damage portion, a good plan includes several other items commonly overlooked by risk managers and property managers until a loss occurs. For instance, if a building has business interruption or other special endorsements, there should be a pre-agreed methodology that is communicated to the accounting department to allow for the swift retrieval of information if a claim needs to be filed. Also, a growing number of property and risk managers are including claims preparation coverage and naming a claims preparation specialist. Sometimes a carrier offers these services, but it is usually better to find your own professional for this. As claims and the claims process become more complex, it is usually better for a disinterested third party to perform these services.

Finally, a good plan needs to be implemented on and communicated. Staff should be aware of the plan and their roles in the plan. Many times, the claims management professionals you retain to prepare your claim can also assist in putting a plan together and train the staff. This is a function that is usually beyond the scope of a risk manager's duties and, therefore, can create a gap in a risk management protocol. Involve the vendors and have regular meetings (semi-annually or at least annually) to discuss changes to pricing, the structure, modifications to systems, and other issues that relate to the building preparedness.

5. Be empathetic with tenants and other occupants

In many cases, large buildings and experienced property and building managers deal with intrusions of every size on a monthly, weekly, or even daily basis. It is important to remember that many times the tenant is not experienced and does not know what to expect. The experience, if it happens in a unit, can be traumatic. The tenant will always cling to the first person to respond for support, answers to their questions, and for reassurance that everything will return to normal. In most cases, this person is the building manager, property manager or staff member.

An empathetic ear and a soft "bedside manner" go a long way to ensure the property is returned to its original condition with few interruptions, and without the scope of work being blown out of proportion. Unfortunately, repeated exposure to traumatic situations tends to "harden" professionals to what they see. This can come across as a lack of caring or understanding of what the tenant is experiencing, even though that professional has dealt with hundreds of cases. It can be like a nurse who has seen so much trauma that he or she becomes numb to what the patient is going through and does not express the softness and caring that lead them to the field in the first place. The key to empathy is listening and understanding their plight. It can be difficult at times, but once mastered, the project is already a success.

Conclusion

Even though no two water intrusions are created equal, there are common threads to all of them. Just following the five essentials previously mentioned will be sure to make you the hero that every building needs and every tenant deserves. As we tell our employees, "Be accurate and thorough, don't guess, and listen to what the building and the interested parties are telling you." It is good advice for anybody, but especially for those of us that are passionate about service, quality, and the sustainability of the building and our customers.

Howard Wolf, IICRC master restorer, has been in the insurance restoration industry since 1984. He specializes in large and complex claims, and is formerly the chairman of the ANSI/IICRC S500 Water Damage Restoration Standard Committee. He is currently technical advisor for MD Restoration Hawaii and is also the chairman of Standards for the Institute for Inspection, Cleaning and Restoration Certification (IICRC).



CABLE

Continued from page 14

pared to Oceanic/Spectrum. "Buying in bulk-that is wiring a condo-can reduce monthly costs per unit to less than half of what the same service would cost in a single-family home. HT is working on a video-on-demand library. And "100 percent of customer calls are answered on Bishop Street."

For Spectrum, VP of engineering Norman Santos took the lead, including a slide show that offered an introduction to the newly re-christened company. He noted that Spectrum is part of Charter Communications, which serves 25 million customers in 41 states. In part because of the long tenure of Oceanic in the *islands*, the company provides service to 74,000 customers in 700 multi-story buildings.

Asked about speed, Santos said that Spectrum "can install new bandwidth, but using existing cables."

The closest we came to seeing sparks was when Santos downplayed the value of HT's 1G speed, saying most Internet Protocol devices require a mere fraction of that.

He also touted a service that some buildings could find beneficial—a private, customized channel such as the one Spectrum is doing for Howard Hughes Corp.—that would offer another way of communicating with residents.

Also from the notebook: Spectrum will remain as local as Oceanic was, with no management changes in the works. And the goal is to bring back

Comparing Cable Plans

If you are thinking about making a change in cable service, call both companies and see what they can do for you.

Hawaiian Telcom: Jaydence M. Goya, senior manager - Direct Consumer Sales: 546-2502, jaydence.goya@hawaiiantel.com.

Spectrum: Santos says the hotline number for the company's Community Solutions Group will be answered by a supervisor: 625-8392.

And, of course, ask other building managers about their experiences with either company.

all call centers to Hawaii, with 70 new hires planned for that this year.

What I came away with from the session, first of all, is that both firms are very serious about what they do, and understand the importance and responsibility that offering cable and Internet to a big building means. The other is that both companies are competitive and willing to work out deals with condominiums.

LATE-BREAKING NEWS: A few days before BMH went to press, news broke that Hawaiian Telcom will be purchased by Ohio-based Cincinnati Bell. The deal is pending both state and federal review.

10 TIPS

Continued from page 27

GET ACCURATE PRICING based on professionally prepared bid documents before finalizing your loan. Final accurate pricing provides the basis for your loan amount as well as the actual costs that will be voted on by the AOAO owners. AOAOs have run into problems getting loan commitments and AOAO votes on "budget" numbers, rather than accurate bids, only to find that the actual costs can differ, sometimes significantly.

PLAN AHEAD AND CONSIDER ALL **THE IMPLICATIONS.** This entire process takes time and has both short- and long-term implications. Choosing to re-pipe impacts everything from property values and insurance rates to community reserves and monthly dues, not to mention the inconveniences of the renovation itself. Take your time, weigh all the pros and cons, and make the most informed and thoughtful decision possible. Minimize unknowns by investigating instead of speculating.

STAY ENGAGED THROUGHOUT THE PROCESS and ensure your board is keeping up with their responsibilities to properly oversee the process and keep the resident community informed. Hold stakeholders accountable, and ensure everyone is acting in the best interests of the entire community, and not just themselves.

In the end, by picking the best vendors, properly managing the process and holding everyone accountable, you can turn a potential re-pipe nightmare into a sweet dream.

Eric Lecky is chief marketing officer for SageWater, a pipe replacement contractor that operates throughout Hawaii and the Mainland, and has replaced pipes in more than 85,000 occupied residential and commercial units. Connect with Lecky at elecky@ sagewater.com.





Oscar Wright, Larry Grant, Jenevieve Pugaya and Randy Kowalkowski

Gordon Heinicke, Anastasia Tagayuna and Leonard Tom

Lunch & Learn at JCC

PHOTOS BY NATHALIE WALKER

Members of the Hawaii Chapter of the Community Associations Institute gathered for a luncheon at the Japanese Cultural Center to hear the latest on condo legal issues, presented by a stellar panel. Topics incuded retaliation, fiduciary requirements, owner participation, elections, proxies, repeal of Charter 514A and more. Presenters representing the CAI Legislative Action Committee included Philip Nerney, John Morris and Richard Emery.



Nathan Christensen, Rebecca Lisle and Tulasi Cotsoradis



Keven Whalen, Jim Merrell, Angela Kaiwi, Scott Sherley and Richard Emery



Tricia De Fusco and Linda Kolstad



Esta and Philip Nerney



Dana Newberry, Cheryl Feagins and Kathryn Heller





David Thomson, Jayne and Albert Cloutier

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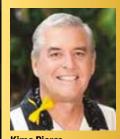
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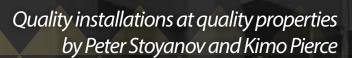
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