

Association of Apartment Owners of
Wailea Fairway Villas
Board of Directors' Meeting Minutes
February 6, 2014

Board Members Present: Edy Salenger, President; Mike Luckado, Secretary; Bill (In Person) O'Connell, Treasurer; Director Tom Logan; and Director Judy Beneventi

Board Members Excused: Gordon Johnston, Vice President; and Janet Coflin, Director

Other Attendees: Al Gat and Nancy Price, Destination Maui, Inc.; Sam Schreiner, Site Manager; and Deidre Rockett, Recording Secretary

I. DECLARATION OF QUORUM

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

II. CALL TO ORDER

President Edy Salenger called the Wailea Fairway Villas Association of Apartment Owners Board of Directors' Meeting to order at 9 a.m. The meeting was held at Wailea Fairway Villas, Wailea, Maui, Hawaii.

III. PROOF OF NOTICE

Mr. Gat certified Notice of Meeting was emailed to all Directors in accordance with the Association governing documents, and it was posted on property in compliance with Hawaii State Law.

IV. CONSENT CALENDAR

MOTION: To ratify the approval of the Minutes of the November 14, 2013, Board of Directors' Meeting as presented.

O'Connell/Beneventi Unanimous Approval

V. TREASURER'S REPORT

Treasurer O'Connell updated the Board on the financial status of the Association through year-end December 31, 2013.

Variances, both over and under target, were noted and explained, including water and sewer, operating contingency, bad debt and maintenance and repairs. At year end, if we eliminate the impact of extraordinary income items and budget contingencies, expenses were less than \$600 over budget. Management and the Board monitored costs well during the past year. The Association is in sound financial health, with the cash balance at the end of the year increasing to \$280,000. The Reserves are 56% funded. Further, delinquencies

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have improved over the previous years.

Investment strategy was reviewed. Monies invested in CD's are through Destination Maui, Inc. in Federally insured financial institutions, as per the Association governing document.

VI. SITE MANAGER'S REPORT

Mr. Schreiner submitted a written report dated February 6, 2014, updating the Board on Association projects and activities, including landscaping, building maintenance, work-in-progress and planned projects.

Island Plant Company continues to replace and upgrade sprinkler heads as needed. Six "smart" modules were added to the seven upgraded controllers. Antennas were added as needed. Wailea Fairway Villa staff needs training to better understand how the system operates to insure that it is functioning properly.

There have been wiring problems observed by the Kayak Rack. Challenges have been experienced in location of the broken wire, resulting in the manual operation of the system near the street.

The floor scrubber was purchased. However, when operating, it trips the onboard circuit breaker. A replacement breaker was ordered from Maui Chemical, and management is awaiting delivery. Subsequently after delivery, Mr. Shreiner will determine if the equipment is functioning properly, i.e. it does not trip the newly installed breaker. If not operating according to Association needs, the scrubber will be returned.

VII. MANAGING AGENT'S REPORT

Mr. Gat is pleased to be working with Destination Maui, Inc. and Wailea Fairway Villas.

VIII. PRESIDENT'S REPORT

President Salenger reported that the property looks good. With the good amount of rainfall, the landscaping is green. She noted the focus of efforts in 2014 include: 1) Ongoing irrigation system upgrades; 2) Collection of delinquencies; and 3) New Reserve Study to be done.

IX. OLD BUSINESS

A. Water Usage

A year-end irrigation system Water Use Data Report was distributed to the Board. It provided data of irrigation system water usage for the full 365 days, with an average use of 48,370 gallons per day. This was 7.47% below the daily average for 2010 and 26.2% below the daily average calculated in 2012. This represents a savings of \$7,000 over the goal of returning to 2010 levels and \$31,000 less than what would have been paid if usage continued at the 2012 level. Island Plant Company was recognized for their professionalism and oversight of the system. It was noted that IPC personnel explored and implemented different opportunities to reduce usage.

X. NEW BUSINESS

A. Owner (D103) Window Request

The owner of residence D103 presented a request to modify the complex, converting four small north facing windows on the second floor to awning windows. The reasons for his request included an inadequate air flow. There are other awning windows in the complex. He supported his request with pictures. The Board and management evaluated the request.

MOTION: To grant approval of the Request to Modify the Complex to the owner of D103, subject to the complete oversight and approval of the installation by the Site Manager during the entire installation of the windows.

Beneventi/Logan Unanimous Approval

Mr. Schreiner will contact the owner about the approval.

XI. NEXT MEETING DATE

The next meeting is the Annual Owners' Meeting scheduled on March 15, 2014.

XII. EXECUTIVE SESSION

The Board moved to Executive Session at 9:28 a.m. Regular business resumed at 10:54.

XIII. OTHER BUSINESS

MOTION: To delegate to President Edy Salenger plus one other Board member the authority to sign the contract for the Reserve Study after receipt and evaluation of the additional solicited proposals.

O'Connell/Logan Unanimous Approval

XIV. ADJOURNMENT

The meeting adjourned at 10:55 a.m.

Respectfully submitted,

Louise Rockett

Louise Rockett
Transcriptionist

Approved for distribution by Edy Salenger, President