

Association of Apartment Owners
Wailea Fairway Villas
Board of Directors' Meeting Minutes
August 18, 2016

Board Members Present: Judy Beneventi, President; Mike Luckado, Vice President; Edy Salenger, Secretary; and Director Joe Schultz
(In Person)

Board Members Present: Bill O'Connell, Treasurer; and Director Mike McDole
(By Telephone)

Board Member Absent: Director Tom Logan

Owner Present: John and Joan Moore, W102

Other Attendees: Al Gat and Tulasi Cotsoradis, Destination Maui, Inc.; Josh Berkeley, Site Manager; and Deidre Rockett, Recording Secretary

I. DECLARATION OF QUORUM

A quorum was declared with six Directors present either in person or by telephone.

II. CALL TO ORDER

President Judy Beneventi called the Wailea Fairway Villas Association of Apartment Owners Board of Directors' Meeting to order at 9:01 a.m. The meeting was held at Wailea Fairway Villas, Wailea, Maui, Hawaii.

III. PROOF OF NOTICE

It was certified Notice of Meeting was sent in accordance with the Association governing, and it was posted on property in compliance with Hawaii State Law.

IV. INTRODUCTIONS

Introductions were made at this time. Mr. Gat announced that the Vice President of Operations at Destination Maui, Inc., Nancy Price, retired in July.

V. APPROVAL OF MINUTES

MOTION: To approve the Minutes of the April 15, 2016, Board of Directors' Meeting.

Schultz / Salenger Unanimous Approval

VI. WRITTEN CONSENT CALENDAR

MOTION: To ratify approval to replace the office air conditioner.

Salenger / Schultz Unanimous Approval

Funds for the air conditioner were allocated from the Reserves.

VII. TREASURER'S REPORT

Treasurer O'Connell updated the Board on the financial status of the Association for the first seven months of the year. Total revenues exceeded total expenses by about \$22,000. The cash level increased to approximately \$376,000. The Reserve funding level is 69%.

VIII. MANAGING AGENT'S REPORT

Mr. Gat updated the Board on accounts receivable, with few delinquencies experienced. Unit H101, however, was recently taken over by the bank.

Reviewed insurance coverage on Association units in their possession.

In the last six months, there have been five or six water incidents on property that involved an insurance claim. The leaks were attributed mostly to a component in the apartment that has failed, i.e., refrigerator water lines, ice makers, reverse osmosis systems, caulking around bath tubs and showers, etc.

An owner has requested that the Board changes the Bylaws to ban smoking on property. This action would require that a written consent ballot be sent to all owners.

An owner requested the replacement of their entry door. It is termite infested, and the owner would like it replaced with a metal door. The owner would paint the replacement, so that it would have an exterior appearance like all the other entry doors on property. Further discussion was deferred to request more information.

IX. SITE MANAGER'S REPORT

Mr. Berkeley reported on irrigation issues. The focus has been on the R, S and T Buildings where the problems are the "worst", and Island Plant was able to correct. Buildings G, H and K were the next focus, and the wiring issues there were fixed. The lawn behind Building K has improved, and the crab grass will be removed by hand. Overall the lawns are looking better. Additionally, Mr. Berkeley updated the Board on Island Special Project Hours. Accounting has improved. Mr. Berkeley is tracking, and overall the average is 40 hours per month.

Mr. Berkeley updated the Board on project activities and projects, including: 1) Valve box replacements, nearly complete; 2) Miscellaneous landscaping items; 3) Poisoned monkey pod tree making a comeback; 4) Repainting of LED lights in-house; 5) Handrail installation performed in May; 6) Exercise room sunshade installed; 7) PV panel cleaning, ongoing four

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times per year; 8) Pool FOB security system installed and warranted for two years; 9) Solicitation of three proposals for dumpster enclosures, with the low bid received at \$3,000 per dumpster; 10) Office upgrades; and 11) Update on owner proof of insurance files.

Mr. Berkeley recommended repair of the dumpster closures in-house. If it is a matter of safety, the latches can be changed, and Mr. Berkeley suggested a trial replacement with a latch he recently purchased. He further suggested painting the dumpster enclosures to improve the appearance.

Mr. Berkeley was asked to purchase a WIFI extender for the gym and monitor the water bills.

Mr. Berkeley answered questions the Board had.

X. PRESIDENT'S REPORT

President Beneventi has been working closely with Josh and Brian, and the management transition has been smooth.

XI. OLD BUSINESS

A. Garbage Enclosures

MOTION: To accept the proposal from Josh Berkeley to move forward with the Garbage Enclosure Project in-house.

Salenger / Schultz Unanimous Approval

It was agreed to "lower the latch" on the enclosures to make it more accessible.

B. Emergency Preparedness

Director Schultz explained the CERT Training program. The next CERT Training is offered on August 26 – 27. Director Schultz will prepare a checklist of actions to take after a natural disaster is experienced to post on the website.

XII. NEW BUSINESS

A. Revised House Rules

Directors Beneventi and Salenger have reviewed the House Rules. Proposed revisions were submitted to the Board. Directors Beneventi and Salenger answered questions Director O'Connell had about the revisions. Modifications were noted.

Director Salenger suggested the Board review and respond within two weeks with any other input. The President asked that comments, changes and suggestions be forwarded to her, and she will send out a final copy to the Board with the proposed modifications.

B. Water Shutoff Valves

Mr. Gat noted that each residence has a water shutoff valve on the exterior. This allows the owner to turnoff the water valve when absent for an extended period of time. In the past, the Association has paid for the replacement of failing water shutoff valves. The Association, in this case, may be assuming liability for future failures.

According to the governing documents, any pipe, water fixture or drain line that only services one unit is the responsibility of the unit owner to maintain.

MOTION: That going forward the Association will not be responsible for replacing individual unit water shutoff valves.

Salenger / Luckado Unanimous Approval

C. High-Risk Component Resolution

Mr. Gat presented a Resolution on High-Risk Components. He explained that the policy would give the Board authorization to help mitigate and help reduce potential water issues. This will allow the Board to engage the services of a licensed plumber to inspect individual units annually, specifically high-risk components. The advantages of passing the Resolution were voiced. With the Resolution, the Board could identify expiration and removal of hot water heaters and other appliances in aging or poor condition. There were questions about liability and costs. With attorney review suggested, the President said the Resolution will be fine-tuned for presentation to the owners at the March 2017 Annual Owners Meeting.

D. Status of Association Rental Unit

Director Salenger reported the air conditioner in the Association-owned unit is broken. The lease agreement requires air conditioning. Further discussion was deferred to Executive Session.

XIII. OWNERS' FORUM

There was an Owners' Forum, and the following topics were discussed: 1) Suggestion to place hurricane warning emergency and safety procedures in the House Rules; 2) Condition of lanais and associated House Rules; 3) Enforcement of House Rules; 4) Car washing House Rules; 5) Removal of stray cats on property; 6) Suggestion to add electric components to High-Risk Element Inspection; 7) Theft Insurance coverage; and 8) Parking of stored vehicles.

Director Salenger will research items of concern that were voiced by the owners and respond. Mr. Berkeley will provide a magnet to put on the owner's refrigerator with the phone number of the late night security. Owners should call this number at night to report incidents. The security company will provide a report to the Site Manager.

XIV. NEXT MEETING DATES

The Pre-Budget Meeting will be held on October 21, 2016. The Board Budget Meeting will be held on November 11, 2016. The Annual Owners Meeting will be held on March 17, 2017.

XV. EXECUTIVE SESSION

The Board moved to Executive Session at 11:20 a.m.

Respectfully submitted,

Louise Rockett,
Transcriptionist

Approved by the Board of Directors on November 11, 2016