

Association of Apartment Owners  
Wailea Fairway Villas  
Board of Directors' Meeting Minutes  
April 23, 2012

Board Members Present: Edy Salenger, President; Sanford Skaggs, Vice President; Ed Small, Treasurer; and Bill O'Connell, Assistant Treasurer  
(In Person)

Board Member Present: Gordon Johnston, Assistant Secretary  
(By Telephone)

Board Members Excused: Mary Henig, Assistant Secretary

Board Member Absent: Janet Coflin, Secretary

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

I. DECLARATION OF QUORUM

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 9:18 a.m. The meeting was held at Wailea Fairway Villas, Wailea, Maui, Hawaii.

III. PROOF OF NOTICE

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

IV. PURPOSE OF MEETING

The President explained the purpose of the meeting was to address two issues on the Agenda under New Business.

V. TREASURER'S REPORT

Treasurer Small updated the Board on the financial status of the Association as of February 29, 2012. The balance in the Reserves has increased. Variances in the operating budget, both over and under target, were noted and explained. Accounts receivable were reviewed.

The annual Independent Audit Report is past due. The Tax Return has not been completed. Mr. Gat explained the reason why the Auditor has delayed the report.

Mr. Gat was asked to consult with the Association Auditor to make sure that the Tax Return extension has been filed. Further, Mr. Gat will ask the Auditor reasons for the delay in submitting the Independent Audit Report. The President suggested that the Auditor be given a deadline.

## VI. MANAGING AGENT'S REPORT

Mr. Gat updated the Board on the status of Managing Agent activities since the Annual meeting, including collection of delinquencies and Audit issues. The parking lot project has been finalized. Further, the upgrades to the irrigation system are expected to commence next week along with the bougainvillea band project.

## VII. SITE MANAGER'S REPORT

Mr. Schreiner submitted a written report. Currently, his focus is on the resealing of the parking lot. There are 38 stored vehicles on property, and he has received keys for 20 of these vehicles for relocation during the project. Some of the owners have asked their on island agents to remove their vehicles for them. Notice of the parking lot resealing will be posted on the website. Owners will also be emailed, and all residents will be notified in a door-to-door sweep. Director Skaggs additionally suggested one mailing to all owners, with notification on this project.

Evidence of a small termite infestation has been observed in one building. It has been treated with a new chemical currently on the market. The situation will be monitored closely for signs of new activity.

A potential leak in the U Building was averted. The plumber is scheduling the replacement of a hot water heater in one of the units.

## VIII. VICE PRESIDENT'S REPORT

### A. Jury Verdict

Director Skaggs updated the Board on a recent jury verdict involving an association on another island. He noted that the Association does have D&O insurance coverage. Coverage totals \$1 million plus an umbrella of \$10 million.

The Association D&O policy covers punitive damages as well. The lesson learned is to proceed carefully, in all cases, under the advice of attorneys.

### B. Parking Lot Enforcement

Director Skaggs and Mr. Schreiner drafted a parking warning notice to post on vehicles in violation of the parking regulations. Director Skaggs posted the notification on the vehicles on several mornings; and, generally, guests and residents responded to the warning in a proactive way. The question is who will patrol the parking lot to post these warnings on vehicles in violation to the rules and regulations.

A cleaning employee has been tasked to perform this service. The cost is minimal. The President suggested the employee be given a Security vest to wear. Director O'Connell asked for an update on the results of this system in the next few months.

IX. PRESIDENT'S REPORT

The President submitted a thorough report a month ago. There was nothing new to add.

X. OLD BUSINESS

A. Parking Lot Reseal

There were questions about the notification of bike owners during the parking lot project. Bike owner notification will be given separately at the same time as all owners are notified of the resealing of the parking lot. Owners will be notified to tag the bike; otherwise, the bicycle may be disposed of. Bikes should be registered in the office by residents. Mr. Gat will follow up on the bike notification requirement.

XI. NEW BUSINESS

A. Drainage Issues

The President has received numerous complaints about drainage issues. With the upgrade of the irrigation system, many of the drainage problems will be resolved. However, there are questions about other drainage issues. The President suggested when the irrigation upgrade to the bougainvillea hedge is complete, phase two of the irrigation upgrade plan be implemented.

It was noted that there are no specific funds in the budget for this work. The President suggested exploring costs and include funds in the next budget cycle for this work.

Options to address the situation were briefly discussed. It was agreed to proceed with phase two as soon as the bougainvillea band has been planted, and the irrigation system for the bougainvillea band has been upgraded.

B. Board Policy on After Hours Call to Site Manager

Sometimes owners get locked outside of their units. This situation is not a problem during regular business hours. . During evening hours, the Site Manager's return to the property is not appropriate. A lock box was suggested.

By consensus of the Board, Mr. Schreiner was authorized to tell owners to call a locksmith when locked out of their units after hours. Owners will be informed of this policy in the newsletter.

After hour emergency situations involving the landscaping were discussed. First, Mr. Schreiner will be called. If Mr. Schreiner is not available, Josh will be called and then Robert.

C. Emergency in Pool Area

There was a question about the emergency phone in the pool area. Does it allow residents to call 911 during an emergency situation? The President and Mr. Schreiner will investigate. If it is not able to reach emergency services, the cost for this type of restrictive phone in the pool area will be researched.

D. Wailea Community Association Sewer Maintenance

There is a common sewer line that runs through the Wailea Fairway Villas property and serves multiple Associations. There is no one Association responsible for maintenance. It is not a public sewer. There was a meeting in 2010 to discuss an agreement between the users of the sewer to maintain it. An annual fee would be levied for all users, including contributions to a Reserve Fund to pay for inspections and maintenance. Since that meeting, Mr. Schreiner researched the situation and determined the number of WFV units connected to the sewer with the idea that the fees would be proportionate to usage.

The Wailea Community Association does not want to spearhead efforts to draft the agreement between all sewer users.

An agreement should be in place with a determination about how costs will be shared.

The President will inform the President of Golf Vistas that the Wailea Fairway Villas is willing to participate in the drafting of an agreement.

E. Entrance Door Responsibility

The attorney was consulted about responsibility for termites in an entry door. The attorney said that the entry door is the responsibility of the owner to maintain and not the Association.

XII. EXECUTIVE SESSION

The Board moved to Executive Session at 10:17 a.m. to discuss delinquencies. Regular business resumed at 10:40 a.m. .

XIII. ADJOURNMENT

The meeting adjourned at 10:40 a.m.

Respectfully submitted,

*Louise Rockett*

Louise Rockett  
Transcriptionist

Approved for distribution, Edy Salenger, President