

Association of Apartment Owners of
Wailea Fairway Villas
Board of Directors' Meeting Minutes
January 17, 2013

Board Members Present: Edy Salenger, President; Ed Small, Treasurer; Janet Coflin,
(In Person) Secretary; and Bill O'Connell, Assistant Treasurer

Board Members Present: Sanford Skaggs, Vice President; Mary Henig, Assistant
(By Telephone) Secretary; and Gordon Johnston, Assistant Secretary

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

I. DECLARATION OF QUORUM

A quorum was declared with five Directors present either in person or by telephone at call to order. Directors Henig and Johnston joined the Meeting in progress, as reflected in the Minutes.

II. CALL TO ORDER

President Edy Salenger called the Wailea Fairway Villas Association of Apartment Owners Board of Directors' Meeting to order at 9:03 a.m. The meeting was held at Wailea Fairway Villas, Wailea, Maui, Hawaii.

III. PROOF OF NOTICE

Nancy Price 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. CONSENT CALENDAR

(Directors Henig and Johnston joined the Meeting at this time.)

Consent Calendar items were noted in the agenda, as follows: a) Board Meeting Minutes of November 15, 2012; and b) Pural Water Specialty proposal to Repair four inch Watts 909 backflow preventer (overhaul device with new rubber repair kit, test and certify) assembly failed testing on January 9, 2013, in the amount of \$986.82. (Note: The County of Maui mandates an annual inspection for backflows. This was a necessary repair.)

Responding to a question from Director O'Connell, Ms. Price explained that funding for the backflow preventer valve is coming out of the Operating Budget.

MOTION: To approve the Consent Calendar items, as follows: a) Board Meeting Minutes of November 15, 2012; and b) Pural Water Specialty proposal to Repair four inch Watts 909 backflow preventer (overhaul device with new rubber repair kit, test and certify) assembly failed testing on January 9, 2013, in the amount of \$986.82.

O'Connell/Small Unanimous Approval

V. TREASURER'S REPORT

Treasurer Small noted that the financials have not yet been audited, so the income amount will change. There will be an adjustment of nearly \$30,000 to the income stream for last year. For 2013, the Association has accounted for monthly adjustments to income instead of waiting until the end of the year.

The Treasurer updated the Board on the financial status of the Association as of December 31, 2012, including the Current Assets, Replacement Reserves and Liabilities. The income statement was reviewed, as compared to budget. Operating expenses, both over, under and on target, were noted and explained. Reserves are right on target. Income is above expenses by about \$5,000 for the month and about \$14,000 for the year.

Accounts receivable were reviewed. There are currently ten units delinquent in their payments to the Association. There were no changes in the dollar amount for delinquencies from November to December, but one unit moved from the minor to major delinquency category.

VI. MANAGING AGENT'S REPORT

Ms. Price and Mr. Schreiner have conducted several property inspections. She recognized Mr. Schreiner for his hard work and for his professionalism. Destination Maui, Inc. issued monthly financial statements. Ms. Price is closely monitoring delinquencies and is issuing proper notification when there is termination of utilities and access to common elements. Destination Maui, Inc. has been successful in recouping delinquent fees due the Association.

VII. PRESIDENT'S REPORT

President Salenger has been working closely with Ms. Price and Mr. Schreiner on projects. She credited Ms. Price for being accessible and a resource of information. She thanked Director Small for his summary of the budget, as well as the entire Board for their contributions and hard work. The President and Mr. Schreiner have explored new ideas and improvements for the complex that will be shared later in the meeting.

VIII. SITE MANAGER'S REPORT

Mr. Schreiner submitted a Site Manager's Report dated January 17, 2012, updating the Board on landscaping projects, building maintenance work, work in progress and planned projects.

Mr. Schreiner said the bougainvillea planting was amended due to concerns by the golf course superintendent and manager.

The repair kit for two backflow valves is on-island, and the work will be scheduled in one week. Water to the units will be shut off for two to two-and-a-half hours; notice will be posted. Mr. Schreiner has reworked the pool gate exit button and made it functional.

IX. OLD BUSINESS

A. Irrigation System Upgrade

Director O'Connell updated the Board on the status of irrigation system upgrades. On January 19, he met with Island Plant key personnel. Data was presented on the Association's average daily irrigation water usage over the past two years. The irrigation specialist accepted the Association's objective to return to 2010 water usage levels and started to develop a plan.

The first step is to adjust the watering schedule, including duration and days of watering. Over the next 30 days, the consultant will reduce water usage until the grass browns to determine the minimum amount of water required. The irrigation will then be adjusted, and the plants will not be damaged.

Once baseline data is determined, the Association can consider automating its irrigation system. Estimated costs are \$1,400 to \$1,500 per Smart Clock; six of nine have already been purchased. Ho'olei will let the Association use its weather station at no charge. It will cost \$600 to \$700 per Smart Clock to program them to link to the weather station. With battery backup, the clocks will run if the power goes out. Money for irrigation enhancements is included in the budget, but the Board will have to authorize the spending.

An important aspect to watering is coverage. Many valves will probably need to be replaced. Director O'Connell said replacement will have to be accomplished in phases over time, because it is an expensive process.

The next area to address is water pressure. The contractor will provide a quote to equalize pressure in the entire system; this is a way to reduce repairs to valves and locate leaks.

Other initiatives include locating the irrigation heads correctly and resizing if necessary. Installing isolation valves would help identify leaks in the system.

The Board considered seeking other bids.

It was agreed that water bills will be sent to Mr. Foster for evaluation, and he will provide commentary on what his firm has done to control usage. It was noted that some of Island Plant's other clients have seen a 15% increase in water usage in 2012 due to drought conditions.

Director Johnston suggested that usage can be improved through basic maintenance of the irrigation system, i.e., fixing sprinkler heads that are in bad condition, as well as adjusting crooked heads. The Board generally agreed that the landscaper should do this work for no additional fee.

The Board supported cutting back irrigation to determine the baseline and to finish the loop in the irrigation system. Subsequently, the Board will later evaluate the contractor's plan to improve the irrigation system in the next five years, including updating the valves and heads.

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Mr. Schreiner will talk to other property managers to learn their experiences with Smart Clocks and weather stations.

B. Bathroom Floor Safety

Mr. Schreiner distributed copies of three bids to correct possible safety issues with slippery bathroom floors at the Recreation Center. He favored hiring the low bid contractor.

X. EXECUTIVE SESSION

The Board moved to Executive Session at 10 a.m. Regular business resumed at 10:07 a.m.

XI. UNFINISHED BUSINESS (continued)

B. Bathroom Floor Safety (continued)

MOTION: To award the bid to Stella Lani to redo the bathroom floors at the Recreation Center, and that the work is performed as soon as possible.

Skaggs/Small

Directors Small, Skaggs, Henig, Johnston and McConnell voted in favor of the Motion. Directors Salenger and Coffin opposed the Motion. The Motion passed by a majority vote.

C. Water Bill Analysis

Director O'Connell stressed the importance of forwarding a copy of the water bills to Mr. Foster upon receipt for analysis.

XII. NEW BUSINESS

A. Smoking Area

The President raised the possibility of creating a permitted smoking area on the property with a bench and smoke chimney. State law requires that smokers must be 25 feet from the building entrances, and smoking is prohibited on lanais. As a result, smokers are loitering in the parking lot or on the street. Owners have complained about smoke wafting into units, even though the smokers are the correct distance away. Board members opposed spending money to create a smoking area. If areas are designated on the property, people close to those areas will complain. When complaints are received, Mr. Schreiner approaches smokers to make them aware of the wind carrying the smoke into units and asks them to move.

B. Nominating Committee

The terms of Directors O'Connell and Henig are expiring at the March 2013 Annual Owners Meeting. Director Henig has served on the Board for many years and is prepared to retire.

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The President appointed Director Johnston to serve as chairperson of the Nominating Committee. Destination Maui, Inc. will send a letter to owners informing them of the Board vacancies, encouraging them to seek office.

C. Air Conditioning Policy

After receiving multiple requests from owners, the President said it became clear that an Air Conditioning Policy was needed. The President developed a policy with Director Skaggs. The proposed Air Conditioning Policy and Resolution attached to it were submitted to the Board for review. Director Skaggs noted a minor change to Resolution 2013-1. Upon correction and approval, the documents will be posted on Wailea Fairway Villas' website for owners.

MOTION: To approve the Air Conditioning Policy and accompanying Resolution (see attached).

With the President calling for a vote, there was a unanimous voice vote of approval.

D. Social Committee

In the last newsletter, the President invited owners to volunteer to form a Social Committee. Several owners have volunteered. Joan Grotz and Kathy Erdman will co-chair. The committee is planning a potluck event each month. The first social function will be a pupu and dessert potluck on January 25, 2013. The Board will also request that the committee plan a potluck the day of the Annual Owners Meeting.

E. Continuing Improvements

Director Johnston said the Association has done a tremendous amount of work on the complex in the last four to five years, especially on property maintenance. Island Plant has been crucial in the effort. He stressed the importance of continuing with the improvement program and beautification of the property.

The walkway from Mr. Schreiner's parking stall to the pool between the P and Q Buildings is heavily used. Anyone looking at the property, including realtors and potential buyers, uses the path. Director Johnston said the grass along the walkway is in poor shape and should be replaced. In addition, the pool tile and rockwork is exposed to open air and turning brown. He would like to see the area washed and sealed to bring back the old color and luster. These are small projects and details that make a difference. The Landscape Committee can take up similar efforts. Mr. Schreiner will talk to the landscaper about improving the grass along the walkway. Director Coflin will obtain two bids to power wash and seal the quartzite tile in the pool area prior to the Annual Owners Meeting.

MOTION: To authorize power washing and sealing the quartzite tile in the pool area at a cost not to exceed \$5,000 as approved by President Salenger.

Small/Johnston Unanimous Approval

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The Board will consider adding the cleaning of the pool deck and other jobs yearly to the budget.

XIII. NEXT MEETING DATE

The next Board Meeting will be held on March 16, 2013.

XIV. EXECUTIVE SESSION

The Board moved to Executive Session at 10:41 a.m. Regular business resumed at 10:50 a.m.

XV. OTHER BUSINESS

MOTION: To authorize Destination Maui, Inc. to extend the payment plan with the owners of H101 through the end of the year.

Skaggs/McConnell Unanimous Approval

XVI. ADJOURNMENT

The meeting adjourned at 10:51 a.m.

Respectfully submitted,

Louise Rockett

Louise Rockett
Transcriptionist

Approved for distribution by President Salenger

Wailea Fairway Villas
Air Conditioner Policy

Background – This policy addresses requests by owners to add, upgrade, or replace air conditioning units.

All requests must be approved by the Site Manager who will follow this policy as set forth by the Board of Directors.

2 Bedroom units – located at the end of the building, ground floor.

Must use existing equipment located on the ocean side lanai and use protected pipes and wiring placed at base of exterior walls.

2 Bedroom units – located center, ground floor.

Must use existing equipment located on the ocean side lanai and must place all necessary piping and wiring in or on interior walls.

2 Bedroom units – located at the end of the building, second story.

Must use existing equipment located on the ocean side lanai and must place all necessary piping and wiring in or on interior walls and in the attic space.

2 Bedroom units – located center, second story

Must use existing equipment on ocean side lanai and must place the protected pipes in or on interior walls or in the attic space.

3 Bedroom units –

Additional air conditioning units shall be located on the ground floor in the least obtrusive space, usually under the front bedroom window. The approximate measurements shall be: 2-5-3.5 feet long, 2-2.5 feet high, and 1-1.5 feet deep.

All units shall be tan or cream color to match as close as possible the stucco exterior of the buildings.

All air handlers shall be mounted on interior, not common, walls.

Units shall be concealed by appropriate foliage as determined by the Site Manager. All costs incurred to remove or replace landscaping shall be paid by owner.

ASSOCIATION OF APARTMENT OWNERS OF
WAILEA FAIRWAY VILLAS

RESOLUTION 2013-1

RESOLVED as follows:

1. The attached Policy, entitled Air Conditioner Policy, is adopted by the Board.
2. This Resolution supersedes all prior policies, resolutions and other actions of the Board pertaining to this subject
3. The Site Manager is authorized to approve applications for alterations or additions to unit air conditioning systems that he, in his discretion, determines comply with the Policy.
4. If the Site Manager, in his discretion, determines that an application does not comply with the Policy, he may (a) deny the application or (b) approve the application subject to conditions that he determines are necessary for the work to comply with the Policy. If the application is conditionally approved, the Owner may proceed with the work only after agreeing in writing to the conditions.
5. All work is subject to inspection and approval of the as-built condition by the Site Manager. In all cases, before proceeding with the work, the owner must agree in writing to complete the work to the satisfaction of the Site Manager and that if the owner fails to do so, the Association may complete the work and assess the cost thereof to the owner.
6. The Site Manager may refer any application for such work to the Board for decision.
7. If the Site Manager denies or conditionally approves an application the Owner may appeal the decision to the Board, which will hear the appeal at its next regular meeting and issue a decision within 30 days of the hearing.

This resolution was duly adopted by the Board of Directors at its meeting held on January 17, 2013, and shall be effective as of January 17, 2013.



President

1-28-13

Date