

Association of Apartment Owners  
Wailea Fairway Villas  
Board of Directors' Meeting Minutes  
May 5, 2017

Board Members Present: (In Person) Edy Salenger, President; Tara Weikum, Vice President; Bill O'Connell, Treasurer; and Directors Mike Luckado and Tom Logan

Board Member Present: (By Telephone) Mike McDole, Director

Board Member Absent: Mark Waite, Secretary

Owner Present: John Moore, W102; and Lynne Decosmo, L202

Other Attendees: Nell Guzman and Chris Baptiste, Destination Maui, Inc.; Josh Berkeley, Site Manager; and Carol Simmons, 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 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

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.

V. OWNERS' FORUM

There was an Owners' Forum, and the following topics were discussed: 1) Smoking Policy, with suggestion to implement a designated smoking area further away from the buildings; 2) Dangers of secondhand smoke; 3) Suggestion to designate Wailea Fairway Villas a Smoke Free property, with amendment to the Bylaws requiring two-thirds approvals from homeowners; and 4) Challenges to amending the Bylaws.

VI. APPROVAL OF MINUTES

There was a request that Directors receive copies of the "Board Package" a couple of days in advance of the Board Meeting, including the Minutes.

The following corrections to the Minutes of the February 13, 2017, Board Meeting were noted:

1. Under Old Business, Item H change the last sentence to read: "They would like to extend the lease, and they understand that the unit is under foreclosure."

MOTION: To accept the Minutes of the Minutes of the February 13, 2017, Board of Directors' Meeting as corrected.

O'Connell / Logan Unanimous Approval

VII. INSURANCE

With regard to the insurance policy, the deductible amount has been changed from \$5,000 to \$10,000. This information should be included in the Newsletter to owners. The Board previously voted by email to approve the deductible terms.

MOTION: To accept the quote from Atlas insurance as presented in the 2017-2018 Insurance Summary, dated April 21, 2017.

O'Connell / Luckado Unanimous Approval

The Treasurer asked for a quote on earthquake insurance coverage.

VIII. TREASURER'S REPORT

Treasurer O'Connell updated the Board on the financial status of the Association as of February 28, 2017. Expenses exceeded revenue by \$26,000, and the reasons were noted and explained. There are no material delinquencies amongst the owners. The cash balance has basically been unchanged since the end of 2016. The Reserves are funded at the 76% level.

Upcoming Reserve fund expenditures were discussed, including the installation of air conditioning condensers and resealing of the parking lot.

MOTION: To accept the bid from South Shore for the replacement of the fan coils in two air conditioning units at a cost not to exceed \$9,000.

O'Connell / Weikum Unanimous Approval

Mr. Berkeley was authorized to move forward on the air conditioning work.

IX. SITE MANAGER'S REPORT

Mr. Berkeley presented a three-page written report dated April 2017, updating the Board on Island Plant landscaping activities; Building and Project Maintenance; Office, Administration and Incident Reports.

Electrical panel inspections have been completed on 24 buildings, with the passing report issued by Electric Service of Maui. The cost was \$900, and the budget for the project was \$4,000. It was agreed to conduct electrical inspections every five years.

There were some tripping hazards by Buildings D and U corrected by a licensed, skilled handyman.

Mr. Berkeley is currently attending a CERT training course for disaster preparedness. He is going on vacation June 1 through 19, 2017. In the meantime, he is training his assistant.

Mr. Berkeley answered questions the Board had.

X. MANAGING AGENT'S REPORT

Ms. Guzman presented the Board with a written report dated May 5, 2017. There is one unit over 60 days delinquent. A list of units experiencing water leaks was included in the report. Satellite phone service has been established. As use is limited to emergency service only, the cost per month is \$34.99 for 15 minutes. Ms. Guzman answered questions the Board had.

XI. PRESIDENT'S REPORT

The President recognized Director Weikum for coordinating updates on the Website with the Web Master.

XII. OLD BUSINESS

A. Asphalt Project

Logistics were discussed. Absentee owners need to update management on on-island contact information. Information about the project will be posted in the newsletter. Contract discussion were deferred to Executive Session. There was discussion about responsibility for "oil stains" in parking stalls.

B. Termites

The President noted there are no issues with termites in E Building. Information received at the last meeting was a "false report". Further discussion was deferred to Executive Session.

C. Recycling Locations

The goal is to multiply recycling locations on property. Mr. Berkeley solicited a bid from Maui Disposal for a weekly pickup at three locations for paper, glass and plastic. The cost per unit for this service annually is \$35. The annual cost for the Association is \$4,122. The pros and cons of the added cost were evaluated. It was agreed to table a decision until the next budget cycle in November 2017.

E. Risk Mitigation Program - High-Risk Component Resolution

The High-Risk Component Resolution policy was approved at the last meeting, and a Risk Mitigation Program is making progress. The Board considered a suggestion from the President that a Building Inspector oversee the High-Risk Component Inspection process. The goal is to establish a "system of implementation". The President asked if there was a Board Member who would like to volunteer to supervise the establishment of the mitigation program. This will help to keep insurance costs down.

Inspection options were discussed, including giving a checklist to all owners to conduct inspections with a licensed plumber of their preference and return when completed within a six-month timeframe. If there is no compliance, the Association will contract with a plumber to conduct the inspection and charge the owner with the cost. This would provide a baseline. The President assigned Michael and Josh the task of drafting a checklist. Mr. Baptiste will provide a sample.

F. House Rule Update

The House Rules were updated.

XIII. NEW BUSINESS

A. Drop Box

DMI has provided a Drop Box. The President noted that within the Drop Box there is a section: "Ten Must Haves". The President asked all Directors to review the contents in the Must Haves section. She further asked Board Secretary Mark Waite to closely review and evaluate the Must Haves, and provide a critique of items.

B. CERT Training

The President explained that Joe Schultz is not attending CERT Training on emergency preparedness. The President and Michael have attended CERT Training. Mr. Berkeley is currently completing the course. With three persons on property CERT trained, it was agreed that emergency preparedness is well covered at Wailea Fairway Villas.

XIV. EXECUTIVE SESSION

The Board moved to Executive Session at 10:30 a.m. Regular business resumed at 11:17 a.m.

XV. OTHER BUSINESS

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A. Sonny Vic's Contract Approval

MOTION: To accept Sonny Vic's best and final bid not to exceed what is presented on proposed contract dated April 26, 2017, with the addition of cost breakouts for oil spot and stall repairs. Further, the funds for the project will be allocated from the Reserves.

O'Connell / Logan Unanimous Approval

Destination Maui will ask Sonny Vic's for a best and final bid. Mr. Berkeley will inspect to determine if any other areas in the parking facility will need to be addressed at the same time.

B. Sunshade Standards

Mr. Berkeley circulated a copy of a Sunshade brochure given to him by an owner, and the Board considered the potential of approving. The President appointed Director Weikum to explore options and draft consistent standards and installation specifications.

XVI. NEXT MEETING DATE

The next Board meeting will be held on Friday, August 4, 2017.

XVII. ADJOURNMENT

The meeting adjourned at 11: 17 a.m.

Respectfully submitted,  
Louise Rockett,  
Transcriptionist

Approved for distribution by the Board of Directors