

Association of Apartment Owners
Wailea Fairway Villas
Board of Directors' Meeting Minutes
July 12, 2019

Board Members Present: (In Person) Tara Weikum, President; Mike Luckado, Vice President; and Directors Mark Waite and Kristi Dunning

Board Members Present: (By Telephone) Dennis Adams, Treasurer; and Director Tom Logan

Board Member Absent: Renee Stigers, Secretary

Owners Present: Philip Kajunski, Q102; Karen Frangipane, W201; John Moore, W102; Ellen Lifsics, A101; and Lynne Decosmo, L202

Other Attendees: Steven Berger, Destination Maui; JD Livingstone, Site Manager; and Carol Simmons, Recording Secretary

I. DECLARATION OF QUORUM

There was a roll call, and a quorum was declared with six Directors present either in person or by telephone.

II. CALL TO ORDER

President Tara Weikum called the Wailea Fairway Villas Association of Apartment Owners Board of Directors' Meeting to order at 9:02 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 documents on June 19, 2019, and it was posted on property in compliance with Hawaii State Law.

IV. APPROVAL OF MEETING MINUTES

MOTION: To approve the Minutes of the April 12, 2019, Board of Directors' Meeting.

Logan / Luckado Unanimous Approval

V. PRESIDENT'S REPORT

President Weikum noted an administrative backlog had caused delays in posting documents on the Website. With the help of DMI, the Website is now fully up-to-date.

Without an accurate email database, the President explained the Newsletter was put on hold. At the Annual Meeting in March, a concerted effort to update the database was made;

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hence, the next Newsletter will be emailed to all owners on Monday.

The President recognized Mr. Berger for his professionalism and leadership; helping the Board and the Association keep-on-track.

The poisoned palm tree by the bridge was removed by Island Plant. A replacement will be planted.

Changes in the House Rules will be considered later in the meeting.

VI. TREASURER'S REPORT

Treasurer Adams updated the Board on the financial status of the Association for the One Month and Five Months ended May 31, 2019. He reported the financial health of the Association is in "great condition", both investment and cash wise. Investment strategy was reviewed.

The Income Statement and Changes in Members' Equity was presented. Variances were noted and explained. The Treasurer reported there have been additional, unplanned expenses this year with regard to the swimming pool as well as plumbing expenses.

There was a \$5,770 negative cash flow calculated in May; however, for the year, generally, the budget is operating on track.

The Replacement Reserve Fund Component Breakdown was reviewed. The Reserve Funding level is 77%.

The Roofing Replacement Project is scheduled in nine years, and the Board considered adding a contingency to the Roofing Reserve. The repainting of the complex is planned in the next two years. To be financially prepared, the Treasurer recommended updating the painting and roofing estimates with the solicitation of new bids.

In the revised Reserve Study, new components have been added, including irrigation system costs and miscellaneous items. These additional costs and contingencies will potentially increase the amount of owners' contributions.

The Treasurer suggested monitoring the Reserves closely on an ongoing basis. There was a roundtable discussion about the Treasurer's recommendations.

Mr. Berger voiced concern about the amount the Reserve Consultant has estimated for the Roofing Replacement cost. It is significantly less than the previous estimate. The Reserves are analyzed on an annual basis by the Managing Agent; thus, the Association has the opportunity to change the estimation as necessary during each annual budgeting cycle.

It was agreed to solicit other roofing bids.

VII. SITE MANAGER'S REPORT

Mr. Livingstone submitted a written report, dated June 2019, updating the Board on Association projects and activities. A major issue has been the water pressure question, and he is consulting with contractors on this matter. The consultant contractors recommend replacement of the water pressure valves. Bids to replace the pressure regulator valves were solicited.

A leak in the irrigation system was found and corrected.

The Site Manager is working with Island Plant to improve the distribution of the water to the dry, brown areas. He explained how the system was tested to determine efficiency. There are 107 sprinkler valves and two to three thousand sprinkler heads. Some adjustments have been made.

The property has been inspected for birds' nests, removing from the downspouts to avoid drainage problems during the hurricane season.

A chlorinator was added to the pool filtration system. Concerns about the grout and the tiles will be inspected by an expert. It is recommended to drain the pool every two to five years. New pool furniture is needed.

A Landscape Committee is in process of being formed. The Site Manager is working with the contractor and Director Dunning about the status of the Rafus Palms removal and replacement.

Mr. Livingstone answered questions the Board had.

Mr. Livingstone was asked to solicit estimates for the cost of the pool furniture. Mr. Berger and the Treasurer will explore options as well.

VIII. MANAGING AGENT'S REPORT

Mr. Berger submitted a written report dated July 12, 2019. He has been working with the President and accounting to clarify administrative issues and monitoring delinquencies. There are no accounts delinquent over 59 days as of the end of May. Mr. Berger updated the Board on the status of unit C201, in non-judicial foreclosure. A new tenant is leasing the unit and is aware of the status of the unit.

IX. LANDSCAPE COMMITTEE

Director Dunning reported the committee is working with the Site Manager and Island Plant to establish the purpose of the committee. She will be conducting a site inspection next week with Mr. Livingstone and Allison, exploring options moving forward.

X. OLD BUSINESS

A. Feedback on Owners' Forum Questions

With regard to water pressure issues, Mr. Livingstone has updated the Board on the status of investigations to mitigate this matter.

With regard to OSHA STANDARDS, Mr. Livingstone is in compliance with the rules in this regard and is comfortable in his current status.

With regard to speeding vehicles, concerns were raised to the Wailea Community Association. A response has not been received. When a response has been received, owners will be informed

B. Update on Revisions to House Rules

Revisions to the House Rules have been reviewed by the Association Attorney and will be further discussed in Executive Session. Proposed revisions, after review in Executive Session, will be forwarded to owners for consideration over a 14 day review period which provides an opportunity for feedback. Once final approval is given by the Board, the Revised House Rules will be posted on the Association Website and sent out to all owners.

C. Status of Smoking Ballots

There was an update on the Smoking Ballot. There were 101 owners out of 118 units responding to the Ballot Amendment. With only 63.36% voting in favor of the amendment and 22.61% opposing, the amendment failed. There were 17 units not voting. The required percentage to approve the ballot was 67%. Optional next steps were discussed, including consulting with the Association's attorney for recommendations to change the amendment language. This item would be added to the next Board of Directors' Meeting agenda for further discussion.

D. Update on Palm Tree Removal and Replacement

Once established by Island Plant, the President will provide information on the timing of the work.

XI. NEW BUSINESS

A. Resolution Re Maintenance of the Water Shutoff Valves

The Board received feedback on the proposed Resolution from the Association Attorney, and it will be discussed in Executive Session.

B. After Hours' Calls Answering Service

The Board previously discussed engaging the services of an answering service for calls received afterhours for issues that are not 911-emergency. The service would filter calls received afterhours that might need the attention of the Site Manager.

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Mr. Berger distributed information about a possible firm, ProComm, outlining the services and reasonable costs. From 4 p.m. to 7 a.m., the company would field calls.

Director Luckado asked if the Association landline had been canceled. The cost of the landline, he suggested, would cover the cost of the answering service. Mr. Berger will investigate.

It was suggested to move forward with the service on a trial basis.

The benefits of this service were discussed in a roundtable format along with options to accept. Communications would improve, and the Association would have 24/7 coverage for the owners. Owners would be informed of the service available for after hour emergencies.

MOTION: To approve engaging ProComm for afterhours answering service on a trial basis, re-evaluating at the next Board Meeting. Further, owners will be informed by posting on doors, at office and by email blast.

Dunning / Waite Unanimous Approval

C. Owner Communication

Owner communications include an updated Website with a newsletter blog. The President asked for volunteers to assist in the newsletter publication.

Director Dunning recommended the website provide a central location for communications and posting of documentation and all-encompassing information for the owners. It should be kept-up-to date. It could be a powerful tool for the entire Wailea Fairway Villas community.

The responsibility for organizing these various communications was discussed. It was agreed to discontinue the quarterly newsletter. Updates to owners will be posted on the Association website Blog. The President will update the owners about this decision in the upcoming quarterly newsletter.

D. Emergency Preparedness

Director Dunning has met with contacts at both the Maui Police Department and the Maui Fire Department in terms of drafting an Emergency Preparedness Plan for Wailea Fairway Villas.

The first part of the plan includes: 1) Checklist for Basic Disaster Supply Kit; and 2) Emergency telephone numbers and resources.

With the recent fire experienced in South Maui, Director Dunning added items to this list, like air mattresses and blankets and seven days of provisions.

Phase two of her plan is Building Awareness. Phase three will be recruitment of individuals willing to be an emergency contact for their building. The goal is to organize a phone tree in

these types of situations in coordination with property management. It was agreed to have one person in charge of communications through onsite satellite phone.

She would like this information posted on the website. Owners should be informed as well.

E. Proposed Resolution on Hard Surface Flooring

New types of replacement flooring options are being pursued by owners. Some of the products include an underlayment to help muffle the noise from one unit to the next when owners remove their carpet.

The Board previously approved a recommended underlayment called Laticrete. There are other products available that may be more effective as a sound mitigative product, specific to the different types of flooring. A new Resolution was suggested. Mr. Berger will assist in the drafting of a Resolution that incorporates more universal language once some additional research has been completed.

F. Replacement Bids for Building Shutoff Valves

The original shutoff valves are located in the driveways, encased in concrete. Mr. Livingstone described how the valves would be replaced. There is a slow leak in the Building U Shutoff Valve. Several proposals were solicited and included with the information distributed to the Board.

MOTION: To accept the Maui Plumbing bid in the amount of \$7,206.08.

Luckado / Dunning

G. Bids to Install 3" Pressure Regulator Valve

MOTION: To approve the Maui Plumbing estimate to install a 3" Pressure Regulator Valve, Option 2.

Luckado / Dunning Unanimous Approval

H. Proposed Solutions for Trash Enclosures

Director Luckado presented different design drawings to improve the trash enclosure access problems. The option is low cost. He suggested soliciting bids for one trash enclosure as a sample. Director Luckado answered questions the Board had about the design. He guesstimated that the cost for a sample enclosure would be about \$10,000.

MOTION: To authorize Mr. Livingstone to solicit three bids for a sample trash enclosure. Mr. Livingstone was further authorized to select the sample trash enclosure to be repaired.

Waite / Luckado Unanimous Approval

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XII. NEXT BOARD MEETING DATE

The next Board of Directors' Meeting will be a Budget Meeting. It will be held on Friday, November 1, 2019, at 10 a.m.

XIII. RECESS

The Board recessed the meeting at 11:40 a.m. to an Owner's Forum. Regular business resumed at 12:37 p.m.

XIV. EXECUTIVE SESSION

MOTION: To move to Executive Session at 12:38 p.m. to discuss legal, personnel and contract matters.

Luckado / Waite Unanimous Approval

MOTION: To resume regular meeting business at 3:06 p.m.

Waite / Dunning Unanimous Approval

XV. ACTIONS FROM EXECUTIVE SESSION

MOTION: To adopt the Draft House Rules as discussed.

Waite / Dunning

MOTION: To adopt the Draft Resolution Regarding Maintenance of the Water Shutoff Valves (see attached), forwarding the resolution to the owners for comments within 14 days, following which it will be formally adopted.

Luckado / Waite Unanimous Approval

XVI. ADJOURNMENT

The meeting was duly adjourned at 3:07 p.m.

Louise Rockett,
Transcriptionist