

Association of Apartment Owners
Wailea Fairway Villas
Board of Directors' Meeting Minutes
November 1, 2019

Board Members Present: Tara Weikum, President; Dennis Adams, Treasurer;
(In Person) and Directors Mark Waite and Kristi Dunning

Board Members Present: Mike Luckado, Vice President; Renee Stigers, Secretary
(By Telephone)

Board Member Absent: Director Tom Logan

Owners Present: John and Joan Moore, W102; Steve and Patti Cipro,V101;
Michael and Connie Hunt, Q101; Tim Engberg, Y201; Kat and
Bob Place, N101; Lynne Decosmo, L202; Nancy and Jill Tripp,
N102; Karen Frangipane, W201; Gerry McBroom and LA
Bannowsky, R103; Rick and Terry Duguay, Q202; Joan Grotz,
G102; CliffDunning, D201; David, Schiesser, K102; Nathan
and Ellen Lifsics, A101; Mary Adams, B102; and Vicky and
Tim Hailey, V202; David Lynch, S201; Kathy Kajunsky, Q102;

Other Attendees: Steven Berger, Site Manager; Jacquelyn Phillips, Destination
Maui; 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 9:10 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 October 22, 2019, and it was posted on property in compliance with Hawaii State Law.

IV. RULES OF CONDUCT

Ms. Phillips announced meeting business would be conducted according to Roberts Rules of Order, Newly Revised. Meeting rules of conduct were briefly reviewed.

V. APPROVAL OF MEETING MINUTES

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

Dunning / Adams Unanimous Approval

VI. PRESIDENT'S REPORT

President Weikum introduced Steven Berger as the new Association Site Manager. His first day as Site Manager was on October 1, 2019. Additionally, she introduced Jacquelyn Phillips as the new Account Executive representing Wailea Fairway Villas at Destination Maui, Inc.

Since the last Board Meeting, an answering service was initiated. Information about the service has been posted on the Website as well as onsite. This allows residents to contact the Site Manager through the answering service after hours in the event of an emergency.

At the last Board Meeting, it was decided to discontinue the quarterly newsletter. A blog has been instituted on the Website to updated owners and residents as needed about activities and projects.

VII. TREASURER'S REPORT

Treasurer Adams reported the September Financials has been posted on the Website. Operational Cash totaled \$248,000. Operational funds cannot be used for Reserve shortages. A Reserve fully funded percentage is required by the state of Hawaii to be at least 50% of funding for identified liabilities. These funds may only be used for Reserve expenditures and not for operating, day-to-day uses.

The Income Statement and Changes in Members' Equity – Actual Versus Budget – was reviewed, including Reserve investment strategy and interest income. Variances in Operating Expenses were noted and explained. Additionally, modifications were made to correct the allocation of some of the line items.

During the course of the Treasurer's Report, Treasurer Adams and President Weikum answered questions the Board and owners had.

VIII. MINUTES APPROVAL (continued)

AMENDED

MOTION: To approve the Minutes from the July 12, 2019, Board of Directors' Meeting to include the Motion to adopt the draft House Rules as Revised.

Dunning / Adams Unanimous Approval

IX. SITE MANAGER'S REPORT

Since Mr. Berger has been on property as of October 1st, he has been very busy. His main focus has been on meeting as many owner as possible.

He updated the Board and owners on property projects and activities: 1) Ongoing upgrade of the irrigation system by Island Plant; 2) Replacement of Building C irrigation valve; 3)

Replacement of Solenoids at the R and L Buildings; 4) Repair of breaks in the mainlines; 5) Issue with Traveler Palms on the side of Q Building; 6) Coconut palms trimmed; 7) Purchase of six lounges for pool and spa; 8) Spa repairs, with replacement of spa jets motor; 9) Pest Control service conducted; and 10) Ongoing pressure washing.

Mr. Berger answered questions the Board and owners had.

X. MANAGING AGENT'S REPORT

Jacquelyn Phillips introduced herself and briefly outlined the responsibilities she has as an Account Executive representing Wailea Fairway Villas at DMI. She thanked the Board for their support.

XI. LANDSCAPE COMMITTEE

Director Dunning provided an update on landscaping activities, including irrigation system upgrades and results of the site inspection. The next focus will be on the removal of the Rhaps palm. The committee is considering a suggestion from Island Plant to wrap the water valve boxes with root barriers. A triangle palm is under consideration to replace the "poisoned palm". Another focus in the future will be on the pool landscaping, and the board will put out a call for volunteers at that time to assist in planning. The committee will continue to work with Allison on the hearts and flower beds and composting. The firecracker bush in front of U Building will be replaced with new plantings. The McArthur Palms need to be assessed and this will be done prior to the commencement of the exterior painting project of the buildings which is budgeted to take place in 2021. Two per year can be removed. Director Dunning will continue to work with Allison on priority lists.

Director Dunning answered questions the Board and owners had. Director Dunning was recognized for her oversight of the landscaping at Wailea Fairway Villas.

XII. OLD BUSINESS

A. Feedback on Owners' Forum Questions

Mr. Berger took notes at the previous Owners' Forum. Feedback was provided on questions that were raised.

One question was whether or not private swim lessons were permitted at the Association pool. The Association attorney was consulted. It was determined under the Association governing documents that there is no commercial activity permitted.

There were also questions about large vehicles blocking sidewalks. This matter has been addressed in the House Rules, with language added to make it a violation.

A request to add reports with vendors to Meeting Minutes will be discussed in Executive Session.

The Board will be discussing a recommendation to separate the pool and the hot tub, each with their own system, later today along with estimates for costs.

The dumpster door enclosures will be discussed later in the meeting.

OSHA rules regarding the use of ladders are not being violated at Wailea Fairway Villas.

B. Update on Proposed Solution for Trash Enclosures

There is no update. Mr. Berger noted this was a "big ticket item" that has confronted the Association for a number of years. One of Mr. Berger's long term tasks is to find a long term solution, providing information and options to the Board towards resolution.

Director Luckado noted that a design had been drafted earlier in the year for the trash enclosure doors. By Motion at the previous Board Meeting in July 2019, the previous Site Manager was tasked with soliciting three bids for the design proposed and did not complete the task.

There were comments and questions from the owners and Board members about this longstanding problem that was not addressed by the previous Site Manager.

C. Palm Tree Replacement

This matter is associated with a palm tree that was poisoned the summer of 2018 by the W Building. Two palms were poisoned, and one was able to recover. The one that was not able to recover was removed by Island Plant. The Board voted to replace and has been working with Island Plant to replace. Two options are available – a 15 gallon size plant and a 45 gallon size plant. Mr. Berger recommended moving forward with the 45 gallon size plant.

With regard to this matter, owners and Board members had questions and comments. There was some debate as to the type of tree and size of replacement.

It was stressed that the Board does not condone the poisoning of trees "to get better views".

Several Motions were made. Further discussion was deferred to Executive Session.

D. Revision to House Rules

Feedback on the House Rules Revisions was received in a timely manner, and this feedback will be discussed during Executive Session. The Board will keep the owners up-to-date.

Owners had questions and concerns about the revisions' process.

E. Status of Smoking Ballots

In order to make changes to the Smoking Policy, approval of the owners is required. In 2018, a ballot was mailed to the owners to prohibit smoking on property. The deadline to vote was one year, and the proposed prohibition failed. It has been learned from the Association Attorney that another ballot can be sent; however, it cannot have the exact language as the previous ballot without one year's lapse. Alternatives are being explored. This item will remain on the Board Agenda.

There were questions and comments from the owners and Board, specifically about associated State and County regulations.

XIII. NEW BUSINESS

A. Pool Project

Bids for draining, cleaning the pool and adding a second pump filter heater have been received. A working group was formed to analyze the proposals. It is recommended that the pool needs to be cleaned and drained every four to five years. A second pump and heater will be added as suggested by the various pool vendors to make cleaning of the pool more expeditious. Mr. Berger described how the second system would operate. Background information was noted as part of the analysis. Further discussion was deferred to Executive Session.

B. Miscellaneous

Questions owners had were answered. Comments and concerns were voiced. Transparency and improved communications was suggested. The Board was recognized for its dedication and ongoing work to address these ongoing difficult and complicated challenges. Mr. Berger is available to answer questions; he has an open door, good intentions and talented skillset.

Owners would also like to see the Minutes posted in a timely manner on the Website. Owners can also request copies through the Site Manager.

C. Dryer Vent Cleaning and Ducting Bids

There is a budget every year to clean a certain number of dryer vents. Director Adams reported that the dryer vent cleaning schedule is not on track. The first step is to prioritize the cleaning of vents for which we have dates left in the 2019 budget. Owners are asked to cooperate and to provide access to their units for the cleaning to take place.. Mr. Berger is working with Shakasweepers on scheduling based on contractor time availability. Logistics were discussed.

A schedule for 2020 will be formulated in conjunction with the dryer vent cleaning vendor. This will be posted to the website once finalized.

D. Draft Resolution - Water Shut off Valve

This topic is controversial and feedback has been received from the owners. The Association Attorney has been consulted to clarify. The water shut off valve could either be a limited common element (Owner Responsibility) or a general common element (Association Responsibility). Based on the advice from the attorney, the Board has been evaluating alternatives. The Board continues to analyze and will keep the owners up-to-date on its decisions.

Discussion ensued along with questions, comments and concerns. Project logistics were evaluated along with the drafting of an assessment tool and scoring system. A list on rectifying the Rhaps Palm and water shutoff valve situation has been drafted on a building-by-building and box-by-box basis.

Director Dunning suggested a Special Ad Hoc Landscaping Committee be convened. The plan is to remove the Rhaps Palms and address the Water Valve Boxes. The question is whether or not to move forward with landscaping before or after the painting project is completed.

E. Landscaping RFP Update

The Landscaping contract increased by 13%. Director Luckado and the President consulted with the owner of Island Plant on contract terms, etc. There has not been a significant increase in the contract proposal in recent years.

The Board engaged the services of a consultant to draft an RFP to solicit bids from other landscapers on-island; and subsequently, the Island Plant contract was approved by the Board. The advantages of working with Island Plant are multiple.

F. 2020 Budget Approval

The 2020 Budget was presented by the Treasurer. The President explained that following the open review, there would be further review in Executive Session.

There will be an increase in the budget, and the Treasurer noted the reasons why, including the landscaping contract increase, increase in Reserve contributions and building maintenance costs. Budgeting and Reserve funding strategy was discussed, a 3.3% increase is proposed.

The Treasurer answered questions the owners had.

G. Act 195 – Resolution Adoption

Adopted in July 2019, information from the Association Attorney about the passage of the State of Hawaii Act 195 was distributed to the Board.

Ms. Phillips explained in detail the reasons the legislation was enacted to clarify the application of maintenance fees. See attached Resolution.

XIV. NEXT BOARD MEETING DATE

The next Board of Directors' Meeting will be held on Friday, January 10, 2020, at 9 a.m.

XV. OWNERS' FORUM

MOTION: To recess to an Owners' Forum at 12:30 p.m.

Dunning / Adams Unanimous Approval

Regular business resumed at 1:30 p.m.

XVI. EXECUTIVE SESSION

The Board moved to Executive Session at 1:36 p.m. Regular business duly resumed at 4:29 p.m.

XVII. ACTIONS FROM EXECUTIVE SESSION

MOTION: To authorize the President and Treasurer, working with the Site Manager, to select a vendor to drain and clean the pool; install a second pump, filter and heater; move forward with the associated electrical work; raise the spillway between the pool and the spa; and install a salt chlorinator system for the pool with a total project amount of \$25,000.

Dunning / Adams Unanimous Approval

MOTION: To adopt the 2020 Budget as presented by the Board Treasurer.

Waite / Dunning Unanimous Approval

MOTION: To adopt the Resolution regarding Act 195 as drafted by the Association Attorney.

Dunning / Adams Unanimous Approval

MOTION: To replace the poisoned Triangle Palm near the W Building with a 45-gallon replacement tree at a cost of \$1,300.

Dunning / Adams Unanimous Approval

MOTION: To request the Association Attorney to draft a new Resolution for the Water Valve Shutoff, designating responsibility of the Water Valve Shutoff Project to the Association and the costs thereof.

Dunning / Adams

The Motion passed by a majority vote. Director Waite abstained.

MOTION: To continue to engage the services of Shakasweepers to conduct the Dryer Vent Cleaning work at a cost of \$90 per unit for a selected number of units in 2020.

Waite / Adams Unanimous Approval

XVIII. ADJOURNMENT

MOTION: To adjourn the meeting at 4:40 p.m.

Dunning / Luckado Unanimous Approval

Louise Rockett,
Transcriptionist