

**ASSOCIATION OF APARTMENT OWNERS OF
WAILEA FAIRWAY VILLAS
TELECONFERENCE BOARD OF DIRECTORS MEETING
Friday, May 29, 2020**

DIRECTORS PRESENT: Judy Beneventi, President; Michael Luckado, Vice President; Dennis Adams, Treasurer; Renee Stigers, Secretary; Kristi Dunning, Tim Engberg, Edy Salenger, Directors.

OTHER ATTENDEES: Steven Berger Site Manager; Enza Froio, Recording Secretary, Aloha Office Services.

OWNERS PRESENT: Nancy Tripp, N102; Phil and Kathy Kajunsky, Q102; Hector Sanchez, V103; Peter Tourin, J202; Al Chiarella, H202; Gerry McBroom and LA Bannowsky, R103; Joan and John Moore, W102;

CALL TO ORDER

President Beneventi called the Teleconference Board of Directors Meeting of the Association of Apartment Owners of Wailea Fairway Villas to order at 9:02 a.m. A quorum was established with seven (7) of seven (7) Directors present by teleconference.

MEETING NOTICE

Mr. Berger stated that Meeting Notice was emailed to Directors of record on May 21, 2020 and posted on property in accordance with Section 125 of Chapter 514B Condominium Property Regime of the Hawaii Revised Statutes.

MEETING RULES

The Meeting Rules of Conduct were reviewed, as included in the meeting packet.

APPROVAL OF AGENDA

Motion: *To approve the Agenda for the Board of Directors Meeting, as presented. (Salenger/Engberg)*

CARRIED unanimously.

APPROVAL OF MINUTES

Motion: *To approve the minutes of the Board of Directors Meeting dated January 10, 2020 as presented. (Adams/Stigers)*

CARRIED unanimously.

OFFICERS' REPORTS

President's Report

President Beneventi presented her report.

In accordance with the governing documents, Tim Engberg, Edy Salenger and Judy Beneventi were appointed to the Board on an interim basis until the Annual Owners Meeting can be held.

These unusual times amidst the Covid-19 pandemic have tested owners, tenants, DMI, the Board, Steven Berger and Maui County. Board members and Mr. Berger were acknowledged for their dedication and hard work to make decisions in the best interest of the Association. President Beneventi further acknowledged Mr. Berger for his attention to detail, standards, knowledge and work ethic. The Board is working under State and County stay-at-home orders to make decisions that are lawful and that will keep the community safe. Because these are unprecedented times, there is no roadmap to follow but the Board has been careful and thoughtful every step of the way.

Due to security issues the Surepay program will be phased out. Destination Maui, Inc. (DMI) will send a letter and flyer to owners on June 1st with directions about DMI's move to a safer platform. Detailed information regarding the implications for each owner depending on their payment plan will be provided. Various Board members have offered to assist any owner who has trouble making the change or do not have the necessary technology. Once the notice from DMI is received, an Owner may contact the Board for assistance.

President Beneventi reminded owners that being a part of an association is a "we" thing and not a "me" thing. Her intention is to promote conversation and transparency. Board members are aligned in their interest in protecting the value of the property and in creating an "ohana". She encourages everyone to assume positive intent.

Treasurer's Report

Treasurer Adams presented his report. He reviewed the financial statements for the period ending April 30, 2020, which are available on the web site for owners' reference.

Currently the Association is in a strong financial position. The Reserve liability is 77% funded. The Reserve balance is \$1,960,976 v. \$1,728,842 a year ago, or approximately \$130,000 higher. This prepares the Association for upcoming projects such as the repainting of all buildings, which is scheduled for next year. Due to the deteriorated CD market, future reserve interest income will decrease significantly as maturing CDs are renewed. CDs will be rolled over to achieve the best returns possible.

Insurance expense will improve by about \$900/month to budget, based on the Association's improved loss history, specifically related to water damage. Also, the deductible to homeowners was raised.

Building & Maintenance expense was unfavorable to budget due to the unplanned pool deck restoration project. The pool area is now in excellent condition. Other projects completed include building power washing (via outsourced labor), pool maintenance and community center cleaning.

The Association has a year-to-date revenue over expense of \$5,900 compared to a budgeted deficit of \$13,500. The budget surplus of \$19,500 is unexpected. Expenses continue to be monitored.

Site Manager's Report

Mr. Berger presented his report and highlighted the following:

- The pool project was completed in December 2019. A flow well was installed in the ground to prevent the pool backwash from affecting the landscaping. The pool closure offered the opportunity to clean and seal the deck, address the waterline in the pool and spa, and seal the granite around the barbecues and the bathrooms.
- New patio furniture (tables and chairs) has been purchased for the area next to the BBQ's
- The contract with Island Plant includes a provision for tree trimming twice per year. This year the coconut palms were trimmed in March. Trimming of the olive trees and Hong Kong orchids is scheduled for June. The monkeypods are trimmed once per year.
- Island Plant has recently learned that the red ginger plants throughout the State of Hawaii are infected with a virus. The red ginger plants at Wailea Fairway Villas are showing symptoms as well. Island Plant will begin to treat the ginger plants once they have received information on how best to do this from the research team at the University of Hawaii. This issue is being closely monitored as it affects ginger plants in the entire state.
- Savings have been realized on employee costs due to the lack of a maintenance technician since mid-January. The recruitment process has been challenging. The first candidate who was selected did not come to fruition. A second candidate was due to start on May 1st but withdrew at the end of April. Mr. Berger has advertised the position for the third time. Resumes are being collected and are under review.

OLD BUSINESS

Update on Trash Enclosures

Mr. Berger stated that he contacted five (5) vendors that specialize in vinyl fencing and gates, of which many declined the opportunity to provide a proposal due to operating under skeleton crews as a result of the Covid-19 pandemic and having existing projects in the pipeline.

A representative from Best Vinyl & Fence visited the property and was given the proposed design that was presented to the Board at the July 2019 meeting. Alternatively, Vinyl & Deck proposed a design to install a post in the center of the 11-foot opening and to install one 5.5-foot gate on the left side and one 5.5-foot gate on the right side. Having two (2) smaller gates would eliminate the need for wheels. A lifetime warranty is provided by the manufacturer on the vinyl gates. Painting the gates would nullify the warranty. Best Vinyl & Fence promptly provided three (3) estimates as follows: 1) to complete a single prototype on a large enclosure door; 2) to complete the remaining four (4) trash enclosures; and 3) to complete all five (5) enclosure doors at once. Mr. Berger recommends completing the L trash enclosure as a prototype, to evaluate the results, and to contact the other four (4) contractors regarding a willingness to bid on the same design.

Mr. Luckado suggested minimizing the amount of asphalt removed and capping the related costs.

Discussion on Underlayment for Hard Surface Flooring

Mr. Luckado stated that floors were built to the minimum standards for sound proofing in the build out of the community by the developers. A resolution was adopted in 2011 to require sound control underlayment under any hard surface flooring installed in a carpeted area on a 2nd floor. Laticrete 170.5 underlayment is the current recommendation to be installed under all new tile/stone floor installation in original carpeted areas on the 2nd floor. This produces a Delta IIC of 22. This measurement allows comparison of the sound isolation characteristics of underlayment materials. It has been realized that owners are wanting to use different flooring material than tile. Laticrete is recommended under tile and stone, but not other flooring such as Luxury Vinyl Plank and Pergo. The 2011 resolution does not address the different types of flooring that owners may install. Mr. Luckado recommends that any alternative product must meet the same sound characteristics or better than Laticrete. Therefore, the minimum allowed Delta IIC for underlayment installed under hard surface floors in original carpeted areas would be 22 (or greater).

Ms. Stigers suggested developing a single page document that gives owners examples for each type of flooring.

President Beneventi requested that Mr. Luckado work with the Association Attorney to draft a resolution that incorporates the minimum sound transmission requirements for various flooring materials to be presented for adoption at the next Board meeting.

Update on Lanai Shade Resolution

Mr. Engberg stated that the proposed revised lanai shade resolution reflects the same specifications as those approved in April 2019 but provides for the change of vendor to Pacific Isle Shades. The former vendor was no longer responsive to the Association. The revised resolution provides the option for a hand crank subject to the Board's approval of an amendment.

Motion: *To adopt the revised lanai shade resolution as presented.
(Engberg/Stigers)*

CARRIED unanimously.

NEW BUSINESS

Bids for Water Shut Off Valve Replacement Project

Mr. Berger stated that the project involves three steps: 1) landscape preparation, digging out existing valves and removal of intrusive roots; 2) replace shut off valves; and 3) install root barrier and potential replacement of the valve box. Proposals have been received and will be further discussed in Executive Session.

Mr. Luckado recommends the use of a ball valve (rather than a curb stop valve) for ease of use.

Discussion on Hong Kong Orchid Issue in Front of Building U

Mr. Berger stated that the roots of the large Hong Kong tree located on the street-side in front of Building U are lifting the curb on the pathway to the entrance of Building U. Owners in Building

U prefer to keep the tree, which also provides shade. After consulting with two (2) arborists, four (4) options were identified. Mr. Berger recommends Option #4, which is to root prune the tree and to reduce the crown of the tree in order to maintain stability. This item will be further discussed in Executive Session.

Postponement of the Annual Owners Meeting

President Beneventi stated that the Annual Owners' Meeting, originally scheduled for March 28, 2020, was postponed to June 20, 2020 as a result of the Covid-19 pandemic. Due to Governor Ige's May 18, 2020 Emergency Proclamation and Mayor Victorino's May 13, 2020, Public Health Emergency Rules that extended the stay-at-home order and social distancing requirements until June 30, 2020, the recommendation is to further postpone the Annual Owners Meeting to September 12, 2020, at 9:00 a.m. HST.

Motion: *To adopt the resolution to postpone the Annual Owners Meeting as presented. (Salenger/Engberg)*

CARRIED unanimously.

Discussion of Suggested Amendment to House Rule 3.8

There has been a suggestion to amend House Rule 3.8 to add language to indicate that when homes are vacant for longer than 10 days that an on-island representative is to check the home once per week for any issues and to ensure there are no plugs in the sinks.

President Beneventi stated that the recent and newly adopted House Rule 3.8 has been effective and the number of water incidents on property has been reduced, which has resulted in a reduction in the insurance premium. She expressed concern regarding the ability to enforce a rule that an on-island representative be required to check homes. The Board unanimously agreed to not modify the existing House Rule 3.8. It was suggested by the Owner of Q102 that Owners consider tankless water heaters when replacing the heaters in their units.

UPCOMING MEETING DATES

Motion: *To set dates of upcoming Board of Directors Meeting as follows: July 24, 2020; November 6, 2020; and January 29, 2021. (Engberg/Stigers)*

CARRIED unanimously.

The Annual Meeting has been rescheduled for Saturday, September 12, 2020, at 9:00 a.m. HST.

OWNERS' FORUM

The meeting was recessed for a brief Owners' Forum.

EXECUTIVE SESSION

Motion: *To recess to Executive Session at 11:07 a.m. HST to discuss legal, contractual, and personnel matters. (Adams/Dunning)*

CARRIED unanimously.

Motion: *To adjourn Executive Session and reconvene to regular session at 1:27 p.m. HST. (Dunning/Engberg)*

CARRIED unanimously.

ACTIONS FROM EXECUTIVE SESSION

Motion: *For the Board to engage the services of Best Vinyl & Fence to proceed with the installation of one (1) vinyl gate at the L building trash enclosure as a sample and for Mr. Berger to work with the vendor on post installation and asphalt cutting. (Engberg/Dunning)*

CARRIED unanimously.

Motion: *To proceed with Option #4 as presented by Island Plant to address the Hong Kong Orchid at the U Building. (Engberg/Dunning)*

CARRIED unanimously.

Motion: *After hearing the appeal for the House Rule violation for Unit #C103, the Board agrees by unanimous consent to uphold the fine imposed. (Engberg/Dunning)*

CARRIED unanimously.

Motion: *After hearing the appeal for the House Rule violation for Unit #J202, the Board agrees by unanimous consent to modify the fine imposed. (Engberg/Luckado)*

CARRIED unanimously.

Motion: *After hearing the appeal for the House Rule violation for Unit #V101, the Board agrees by unanimous consent to modify the fine imposed. (Engberg/Adams)*

CARRIED unanimously.

ADJOURNMENT

Motion: *To adjourn the meeting at 1:33 p.m. HST (Engberg/Luckado)*

CARRIED unanimously.

Respectfully submitted,
Enza Froio
Aloha Office Services
Recording Secretary