

Association of Apartment Owners of Wailea Fairway Villas
Board of Directors Meeting Minutes
Tuesday, May 7, 2024

Board Members Present: Rick Duguay, President; Marc Warenski, Vice President; Joe O'Donnell, Secretary; L.A. Bannowsky, Treasurer; Sharon Zurn, Assistant Treasurer; and Directors Kim Henry and Jim Dionizio

Owners Present: On file at Destination Maui, Inc.

Other Attendees: Bronson Camanse, Senior Account Executive, Destination Maui, Inc.; and Mike Heller, Site Manager

I. CALL TO ORDER

President Rick Duguay called the Association of Apartment Owners of Wailea Fairway Villas Board of Directors Meeting to order at 9:02 a.m. via Zoom.

II. DECLARATION OF QUORUM

A quorum was declared with all Directors present.

III. PROOF OF NOTICE

It was certified that Notice of Meeting was sent to all Directors of record and filed in the office of the Managing Agent on May 3, 2024. This notice was also posted at the property in compliance with Hawaii State Law.

IV. CONSENT CALENDAR & APPROVAL OF MINUTES

MOTION: To accept the January 26, 2024 Board Meeting Minutes as distributed.

Warenski / O'Donnell Unanimous Approval

MOTION: To accept the February 7, 2024 Special Board Meeting Minutes as distributed.

Zurn / O'Donnell Unanimous Approval

V. REPORTS

A. President

The President began by thanking Vice President Marc Warenski for filling in for him at the Association's Annual Meeting while he was away on family business, as well as the members of the Board for their hard work and dedication as they tackle very challenging issues.

He also thanked owners present and encouraged them to learn about the impact of the Lahaina fires on property insurance rates on Maui. Boards and properties are all grappling with the same issue of higher rates and replacement values.

Other items the President was going to touch on are part of today's agenda.

B. Treasurer

Treasurer L.A. Bannowsky provided a recap of the Association's financial position through the first quarter of 2024.

The Association's cash position is healthy. Total revenues as of March 31, 2024 are about \$390,000, and posted expenses total about \$155,000. That doesn't include contributions to the Reserve fund and other accrued expenses that will show up later.

The Reserve balance is \$2,333,000 with planned expenditures of around \$150,000 in 2024. The totally funded percentage for the 30-year period in the Reserve Study is just under 70%, which is a little lower than what the Board would like to have. The Association plans to replenish its Reserves in the short term coming years.

C. Site Manager

Site Manager Mike Heller thanked the Wailea Fairway Villas community for the friendly welcome he's received since he started work about two months ago. He also thanked the Board, staff and Mr. Camanse for their help and support as he continues to learn about the property and procedures.

The spring pruning of the 40 coconut trees was completed in March. This will be done again in the fall. Last month, all of the monkeypod trees were trimmed, and a monkeypod near Building M that looked dead has fully recovered.

The Site Manager is continuing the ongoing effort to upgrade the irrigation controllers. The upgrade will provide remote monitoring and the ability to change settings and test the various sprinklers and drip lines individually on a computer or smart phone. Rain Bird representatives visited the property last month to check radio signals between the controllers and have specified the equipment needed to make it all work. The Association's landscaper is preparing a proposal to install the program and set up the equipment.

The 8-inch backflow preventer assembly for the fire suppression system has exceeded its useful life and needs to be replaced. The Board has three proposals to consider. Mr. Heller also obtained two proposals to repair spalling on a W Building lanai, as well as a time and materials quote to repair deteriorating concrete curbs in the parking lot.

The fob access control system is another project that was underway. The system is becoming obsolete. He has taken on the effort to upgrade the system and allow monitoring and control via computer or smart phone instead of the dedicated computer in the office.

Mr. Heller is also looking into upgrading the system to control access to the car wash stations and keep nonresidents from washing their cars.

The webmaster trained the Site Manager and Mr. Camanse on how to make routine website updates so that Association documents and information can be posted to the website faster. The site is now up to date.

Drew has been busy completing routine maintenance and repairs, including changing the recessed lighting and lantern fixtures at the Recreation Center from CFL to LED lights. The Site Manager is working with him to set up a maintenance schedule that will include work that is normally done by contractors so that no tasks are missed.

VI. OLD BUSINESS

A. Irrigation Controllers

The Board has requested updated bids from Island Plant Co. for different options from the manufacturer, Rain Bird.

VII. NEW BUSINESS

A. Limited Power of Attorney Transfer

Association Attorney Shannon Sheldon, an expert in Hawaii condominium law, has joined the law firm Horovitz Tilley LLLC in Wailuku. The Board wants Ms. Sheldon to continue to represent the Association.

The President read the resolution prepared to transfer the Limited Power of Attorney from the law firm of Berding & Weil to Horovitz Tilley LLLC:

The Wailea Fairways Owners Association ("Association"), by and through its Board of Directors, does hereby make, constitute and appoint the attorneys of Horovitz Tilley LLLC, whose current business and mailing address is 2073 Wells Street, Suite 101, Wailuku, Hawaii 96793, as its true and lawful attorney-in-fact with the special power and authority to prepare, execute, acknowledge and record any and all notices of liens and releases of liens, non-judicial foreclosure and/or power of sale notices, notices of default and intention to foreclose, public sale notices, and instruments of conveyance, which arise against or relate to any property of the Association that incurs unpaid common expenses and for all costs and expenses, including attorneys' fees, incurred in the collection thereof; and the Association, through its Board of Directors, hereby ratifies and confirms all that said attorney-in fact shall do, or cause to be done, by virtue of this instrument.

The rights, powers and authority herein granted shall commence and be in full force and effect upon the execution hereof, and shall terminate when written notice of termination is given to said attorney-in-fact and recorded. The Association hereby revokes and terminates any and all prior limited powers of attorney designating attorneys of Berding & Weil LLLP as attorneys-in-fact.

MOTION: To accept the resolution, as read.

Bannowsky / O'Donnell

Unanimous Approval

B. Unbudgeted Reserve Request

As covered during the Site Manager's Report, the fire suppression water backflow preventer failed routine testing and needs to be replaced. The eight-inch fire water valve assembly is located in the vault by the second entrance.

The backflow preventer replacement is included in the Reserve Study at \$20,700 but is not scheduled for replacement this year.

The Site Manager obtained three bids for the project. Maui Plumbing submitted a bid for \$21,249.

MOTION: To approve replacement of the fire water backflow preventer using Maui Plumbing.

O'Donnell / Warenski Unanimous Approval

There will be an interruption of water service for one or two hours during the work that will be scheduled in coordination with the Maui County Department of Water Supply. It may take two months to ship the assembly to Maui.

C. Spalling Repair

An owner in the W Building has requested lanai repairs due to spalling. Mr. Heller submitted two proposals for the Board's review. Kawika's Painting & Restoration Services' bid totals \$4,385.

MOTION: That we approve the spalling repair for the lanai in W Building, Unit W-101, using Kawika's Painting Inc. to perform the work.

Henry / Zurn Unanimous Approval

D. H06 Insurance Tracking Transfer to Atlas

Responsibility for tracking that owners obtain required H06 insurance policies for their units will be transferred from the Site Manager to Atlas Insurance, which will provide the service at no charge.

The President read the proposed revisions to the House Rules (attached).

MOTION: To transfer responsibility for monitoring H06 insurance compliance from the Site Manager of Wailea Fairway Villas to Atlas Insurance, also including the change as read for Rule #4 of the Homeowners Rules.

Zurn / Bannowsky Unanimous Approval

E. Commercial Insurance Proposal

The President reviewed a May 4, 2024 letter (attached) the Board recently sent to owners detailing the changes and challenges the Association is facing regarding its insurance renewals.

F. Ratification of Commercial Insurance Proposal

Mr. Camanse read the Association's Unanimous Written Consent of Directors in Lieu of Meeting Resolution (below) for meeting attendees.

The undersigned, being all the current Directors of the Association of Apartment Owners of Wailea Fairway Villas, hereby by this unanimous consent in writing in lieu of meeting adopt the following consent as of April 26, 2024.

RESOLVED,

1. The Board of Directors meeting is not set to occur until May 07, 2024.
2. The Association's master policy insurance expires on April 28, 2024. The Board must bind coverage no later than April 26, 2024 or risk the property coverage lapsing.
3. The Board of Directors hereby approves the insurance renewal proposal as provided by Atlas Insurance with an annual premium cost of \$220,748.00 for 2024-2025.
4. This instrument shall be dated as of the date of the last signature and may be executed in counterpart, each of which shall be deemed an original, and said counterparts shall together constitute one and the same instrument, binding all the parties hereto, notwithstanding all the parties are not signatory to the original or the same counterpart.

MOTION: To ratify the Consent by Resolution.

Bannowsky / O'Donnell Unanimous Approval

VIII. NEXT MEETING DATE

The next Board of Directors Meeting is scheduled for August 6, 2024.

The Board may schedule a Special Meeting in late May to discuss insurance.

IX. OWNERS' FORUM

The meeting was recessed at 10:15 a.m. to hold an Owners' Forum.

X. EXECUTIVE SESSION

The Board moved to Executive Session at 10:22 a.m. to discuss legal matters.

XI. ADJOURNMENT

The meeting adjourned at 10:46 a.m.

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Mark Vieth

Recording Secretary

Approved (date): June 25, 2024

Initials: BC DMI