

Association of Apartment Owners
Maui Sands I
Board of Directors' Meeting Minutes
July 9, 2016

Board Members Present: Rosa McAllister, Secretary
(In Person)

Board Members Present: Jean Rachkowski, President; David Bontorin, Treasurer;
(By Telephone) and Directors Wendy Cush, Robin Smilanich and Shanna Stubbs

Owners Present: David and Marilyn Freitas
(In Person)

Owners Present: Rick Momsen, 2F; Bob Jenks, 3D; Laura Cowan, 4E; and
(By Telephone) John Cush

Other Attendees: Allison Johnson, Resident Manager, and Carol Simmons,
Recording Secretary

Other Attendees: Doug Lefler, Hawaiiana Management Company; and Mike
(By Telephone) Silva, Engineer

I. CALL TO ORDER

President Jean Rachkowski called the Association of Apartment Owners of Maui Sands I Board of Directors' Meeting to order at 9:07 a.m. The meeting was held onsite at Maui Sands, Honokowai, Maui, Hawaii.

II. DECLARATION OF QUORUM

A quorum was declared with five Directors present either in person or by telephone at Call to Order. Director Shanna Stubbs joined the meeting by telephone after Call to Order as indicated in the Minutes.

III. PROOF OF NOTICE

It was certified that notice of meeting was emailed to all Directors on June 29, 2016, in accordance with the Association governing documents, and it was posted on property in compliance with Hawaii State Law.

IV. APPROVAL OF MINUTES

MOTION: To approve the Minutes of April 16, 2016, Board of Directors' Meeting as corrected.

Smilanich/McAllister Unanimous Approval

MOTION: To approve the Minutes of May 16, 2016, Board of Directors' Meeting as corrected.

A Motion was duly made by Director McAllister, seconded and unanimously approved.

V. PRESIDENT'S REPORT

President Rachkowski reported that the past two-and-a-half months have been quite busy with numerous projects moving forward.

The upgrade of the Resident Manager's Unit has been completed and is ready for occupancy. The Association will save more than \$1,400/month with the Resident Manager residing in it. It is now considered an Association asset. The 1A lanai, however, still needs to be addressed.

Another large project underway, the painting and repairs of Buildings 4 and 5, is 98% complete. It is not only a positive change to the appearance of the two buildings but is an Association asset. The Resident Manager, Property Manager and contractor worked together on the project. Kawika's, the contractor, provided a greatly improved finished product, completed within the time frame promised and within budget.

The worn walkways on the second floor need to be addressed.

The Board has agreed to a Code of Conduct. All Directors will sign the document as confirmation of a commitment to professionalism and ethical behavior.

(Director Stubbs joined the meeting via telephone at this time.)

Upcoming projects include: 1) Decision-making about painting and repairs of Building 1, 2, 3 and 6; 2) Addressing the walkways for Building 4 and 5; 3) Gutter replacement; 4) Continued work on obtaining County approval for the installation of the required backflow preventer; and 5) Moving closer to resolution of legal issues between Maui Sands 1 and II.

There are two new part-time employees hired to address in-house projects. The Board approved Keith Lankowski, an electrician, to complete electrical work for the meeting room.

The President thanked fellow Directors for their time and effort, as well as collaboration and cooperation in making the best decisions possible for Maui Sands I. She also recognized the ownership for their support.

VI. TREASURER'S REPORT

Treasurer Bontorin reported that the Board has been vigilant in keeping as close to budget as possible on projects in progress.

The Treasurer updated the Board on the Association financial status as of May 31, 2016, as follows: \$191,475.80, Operating Account; \$200,257.79, Reserves; for a total of \$391,715.59, Cash-on-Hand. The Association is in sound financial health.

Reserve funding strategy was assessed. Accounts receivable was reviewed.

VII. COMMITTEE REPORTS

A. House Rules Committee

Director McAllister reported that the committee has received comments and suggestions from a few Board Members about potential changes to the House Rules. Additionally, she has researched the House Rules of seven other condominium associations on Maui. Director McAllister, Director Stubbs and Ms. Johnson conducted a property inspection, with a focus on the House Rules. Further, Director McAllister has reviewed the Minutes of past meetings to ensure that all changes are incorporated into the revisions.

A draft document will be sent to all Board Members for review. The Board can then discuss the House Rules via email or at a Special Board Meeting specifically called for this purpose.

B. Parking Committee

Director Bontorin reported there are a couple of major issues being addressed by the Parking Committee. Non-monetary issues with the Maui Sands I and II negotiations are being evaluated. As forward movement occurs with the Maui Sands 1 and 2 negotiations, there will be some parking reassignments. The easement will be realigned, including 20 parking stalls along the north fence and north parking lot, which will be assigned to Maui Sands II. Another issue is weight or load restrictions and access to the north parking lot. After much review and information gathering, it was felt that allowing heavy vehicles into that parking lot would shorten the life of the asset. The Board will need to determine the weight level restrictions as well as some other issues.

C. Landscape Committee

Director Smilanich provided the Landscape Committee Report. The Bird of Paradise will be moved next week. Landscaping under the stairs of Building 2 is waiting on specialty paint. Ms. Johnson noted that Kawika's would donate left over paint for this project when they finish the Building 4 and 5 stairs; otherwise, the committee is waiting to see what kind of budget will be available before proceeding with other projects.

D. Website Committee

The President noted that the task of this committee is to improve the current website or build a new online presence. There currently has been no progress due to lack of agreement between the committee members. The President encouraged the committee members to work together. Further discussion will continue via emails and/or at the next Board Meeting.

E. Improvement Committee

Director McAllister updated the Board on activities of the Improvement Committee. She

noted that there is a document attached to the Board packet. It is basically a "to-do" list for property improvements. The document includes updated, prioritized information with time frames.

The following six items from this document were selected to present at this meeting: 1) The carpets on the upper walkways of Building 4 and 5 are in very bad shape and present safety and liability concerns; 2) Adding another doorway to the Meeting Room, which can be accomplished in-house sometime between July and October 2016; 3) Repairing trip hazards in cracked sidewalks throughout the property, considered a high priority project that could be accomplished by hiring a part-time employee, i.e. a concrete specialist and tenant in unit 2C; 4) Installing a new BBQ area near the laundry room sometime in 2017; 5) Finding a use for the concrete pad near the pool sometime in 2017; and 6) Repair or replace hanging wires in the pool pump room, a high priority.

The hiring of the part-time concrete specialist will be discussed in Executive Session today.

A more readable, useable document/to-do list was recommended.

MOTION: To compile a useable document to be sent to all owners listing projects completed and projects to-do.

Smilanich/McAllister Unanimous Approval

VIII. SITE MANAGER REPORT

Ms. Johnson updated the Board on Association projects and activities, including: 1) The hiring process of the two new part-time employees; 2) Installation of the entrance post lights, the entrance lights and backlighting of signs; 3) Final walk-throughs on Buildings 4 and 5 conducted; 4) Painting of base color on office; 5) Unit A1 remodel completed and is in the clean-up phase; 6) Sixteen pool deck lights replaced since April; 7) Obtaining bids from contractors; 8) Meeting with Mr. Lefler once a month for questions and answers, for training and for implementing House Rules; 9) Gathering information for staircase #2, including painting and landscaping; 10) Keith Lankowsky, new part-time employee, is bringing in supplies to start work on the electric in the pool clubhouse/rental room; 11) Waiting for the vendor to have an opening in his schedule to start work on the women's bathroom by the pool; and 12) Begin clean up and replacement of vents that have fallen off or disintegrated on Building 2.

Ms. Johnson and Director McAllister both talked about a meeting with West Maui Kumuwai, an organization established to increase ocean awareness and ocean health. Maui Sands is now a participating member. A check list was provided by West Maui Kumuwai. They did a walk-about on the property, took photographs and discussed ways to improve the property to help keep the reefs and ocean healthy. There are some areas to improve, but mainly the Association is already doing great things in this regard. The added bonus was the induction of Daniel, a ten-year-old resident of Maui Sands, as Resident Ambassador for West Maui Kumuwai.

IX. UNFINISHED BUSINESS

A. Mike Silva (Call-In at 10:00 a.m.) – Black Flow Preventer

Mike Silva joined the Board Meeting by telephone to help the Board understand the back flow preventer diagram and answer any questions. Mr. Silva has drafted a diagram for installation of the backflow preventer and has taken the diagram to the County for approval. He explained the reasons a backflow preventer is needed and required by the County. He further explained the diagram for a backflow preventer to be installed on Association property. Mr. Silva stated that a list of recommended contractors could be provided to the Board.

B. Walkway Proposal

The walkways on Buildings 4 and 5 are in poor condition and present a safety and liability hazard. A bid of \$28,500 has been received from Kawika's, and the scope of work was reviewed.

MOTION: To discuss the walkway bid from Kawika's.

Smilanich/ Bontorin

There was a lengthy discussion of the walkway proposal, including potential alternatives to correct the situation: 1) Replacement; 2) Doing the work in-house; and 3) Soliciting other bids. The pros and cons of each option were evaluated in-depth, including costs, warranties and budgeting and financial questions.

MOTION: To table the walkway proposal for buildings 4 and 5, pending receipt of additional information.

Stubbs/ Cush

Directors Stubbs, Cush, Bontorin and Smilanich voted in favor of the Motion. Directors Rachkowski and McAllister voted no. The Motion passed by a majority vote.

C. Manhole/Camera of Lines

There are two bids for this project from Valley Isle and Roto-Rooter. The proposal are generally similar in cost and scope.

MOTION: To accept the Valley Isle proposal.

Smilanich/ Stubbs Unanimous Approval

Valley Isle Pumping should be informed that their proposal has been accepted, and a date should be scheduled to commence the project.

D. Lanai Railing Removal

There are two bids for this project. East West will do the job for \$4,500, which includes disposal of the old railings. Kawika's bid was for \$4,100, but they would charge extra for railing disposal and patching holes. The President received information that a fair amount of money could be made by taking the railings to the recycle center.

MOTION: To accept Kawika's bid, collect money from recycle center by disposing railings in-house and do the patchwork in-house.

McAllister/Smilanich

Discussion ensued. After close scrutiny, the Board determined that East West offers a better price because they dispose of the old railings. The Board wants to ensure, however, that the new railings are installed the same day that the old railings are removed, to prevent any risk of liability for open lanais on the second floor.

Director McAllister withdrew the first Motion.

MOTION: To accept East West's proposal to remove the railings, mandating that old railings be removed and disposed of and that installation take place concurrently, so that there is no lag in time in the removal and installation of the new railings.

McAllister/Smilanich

Unanimous Approval

E. Pool Underwater Light

As per the request of the Board, a second bid has been obtained for this job. There is a bid from Ohana Pool dating from 2015 for \$3,300 to install the underwater light, and to go through the concrete and redo the wiring. The second bid is from West Waterworks for \$3,800. Ms. Johnson noted that Ohana Pool is the company the Association works with on an ongoing basis, so if there is a problem it will be easier to resolve.

MOTION: To accept the Ohana Pool bid for \$3,300 and move forward on this project immediately

Stubbs/McAllister

A discussion followed. Ms. Johnson emphasized that this job needs to be done due to liability issues. She explained the rewiring. She also explained why the pool light is needed, as well as what kind of lighting is needed and required. It was noted that Ohana Pool is willing to honor the 2015 bid. However, Ms. Johnson needs to double check on the estimate to ensure it includes installation of an LED light. If not, an LED light could push the price up a couple of hundred dollars, which would still be under the West Waterworks bid.

AMENDED

MOTION: To accept the Ohana Pool Group bid at a cost not to exceed \$3,506 and move forward on this project immediately

Stubbs/McAllister Unanimous Approval

X. NEW BUSINESS

A. Buildings 1, 2, 3 and 6

A bid from Kawika's in the amount of \$147,600 was reviewed. The work would include the same work done on Buildings 4 and 5. The bid price does not include waterproofing and the lanai deck replacement for twenty lanais, which would cost an additional \$119,300.

MOTION: To accept the Kawika bid for the paint, carpentry, concrete and lead crack for Buildings 1, 2, 3, and 6, as a starter, at a cost not to exceed \$147,600.

Rachkowski/Smilanich

Budgeting and Reserve Funding strategy was assessed. It was noted that Kawika's is very busy. They have a small window of opportunity to do the project in January 2017, while the next available opening is in April 2017. This gives the Board time to develop a funding strategy. It was further noted that the Reserve Study will be available in six to seven weeks, in plenty of time for the October Budget Meeting.

President Rachkowski and Director Smilanich withdrew the Motion.

MOTION: To accept the \$147,600 bid from Kawika's, with a time frame of April 2017, and with the understanding that the Board will adjust the Reserves according to the Reserve Study.

Bontorin/Smilanich Unanimous Approval

B. Gutters Proposal

A proposal of \$3,000 has been received to clean the gutters. Cleaning of gutters and downspouts are a priority. It was noted that the bid seems high, but it has been difficult obtaining other bids. It was decided that this job would be done in-house.

C. Other Agenda Items

The President stated that the meeting had gone over the two hour time limit, and time was still needed for the Owners' Forum. Other agenda items, such as Shoreline Certification, will be addressed via email, in the October Board Meeting and/or at an interim Board Meeting. It was decided to have an interim Board Meeting in August or early September to review the House Rules and other items as time permits. A decision does need to be made regarding the Oceanic Time Warner Cable contract before September. Director Stubbs suggested website development and social media presence be added to the agenda of the interim Board Meeting.

XI. NEXT BOARD MEETINGS

The next regular Board Meeting is scheduled for October 14, 2016, at 9:00 a.m. Hawaiian Standard Time. An interim Board Meeting will be schedule in August or early September, 2016.

XII. OWNERS FORUM

An Owners' Forum was held and the following issues were discussed: 1) The need to complete repairs on the second floor walkways of Buildings 4 and 5, to prevent water damage, by ensuring properly installed flashing is done by properly trained, experienced professionals; 2) Grave concern about the safety and liability hazards on the second floor walkways of Buildings 4 and 5; 3) The tabling of the repairs on the second floor walkways will probably be addressed in the interim Board Meeting to be held in August or September; and 4) A concern expressed by one owner about lack of communications from the Board regarding Board activities.

XIII. ADJOURNMENT TO EXECUTIVE SESSION

The meeting adjourned to Executive Session at 11:37 a.m.

Respectfully submitted,

Louise Rockett

Louise Rockett
Transcriptionist