



MAUI SUNSET

Newsletter

February 2019

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MR. MAUI

The Maui Sunset Annual Homeowner Meeting was well represented with 68.2% by proxy and 16.81% in person. The total number of owners participating in the meeting was 85.43% which was similar to our other Annual Meetings.

The Board will have a busy year with all these approved projects for 2019:

1. Spalling of lanais. Out of reserves
2. New Pool furniture. Out of reserves
3. Initial work for B building corner already approved. Out of reserves
4. Reserve study already approved. Out of reserves
5. Exploration work of pipes in common area. Out of operations
6. B Building driveway already approved out of operations.

There will be other projects that will not require the use of reserve funds besides item 5 and 6.

The meeting was conducted by the oversight of Destination Maui Inc. with Mr. Ron Kawahara as the Parliamentarian. He was a great help in keeping the meeting efficiently running according to Roberts Rules of Order.

There were no nominations from the floor for the open board of director positions, so the owners voted unanimously to elect by acclamation, Jack Wetherall and Harry Hecht to another 3-year term.

The owner's party was the best Maui Sunset had every had. Despite the cooler temperatures, the party was a great success and owners got that chance to meet each other and the management team. The food and entertainment were organized by GM Kari Davis and was amazing- Mahalo Kari.

REMEMBER TO VISIT THE MAUI SUNSET AOAO WEBSITE FOR COMPLETE CURRENT AND ARCHIVED INFORMATION:

www.mauisunset.me

Login- paradise; Password- 96753



2019 – 2020 MAINTENANCE SCHEDULE AND IMPORTANT DATES

July 15-18, 2019	Lawn de-thatch
November 4-7, 2019	Pool closure
June 1-5, 2020	Lawn de-thatch
September 7-10, 2020	Pool closure

FIRST QUARTER 2019 PRESIDENT'S REPORT—SANDRA HOOPER

Aloha Fellow Owners,

I look forward to renewing acquaintances and meeting new owners today. Your Board has worked diligently this year to insure the Maui Sunset remains the paradise we all know it to be for owners and guests alike.

At this meeting we will report on the past years' actions, accomplishments and challenges going forward. We will also report on our financial standings and hold an election to fill two Director positions. Thank you for your interest, attendance, and participation.

Last year was a transitional year at Maui Sunset. The Association saw the resignation of former Manager Jason Sablas and the hiring of new Manager Kari Davis, who began in her position in early June. After a very brief orientation, she hit the ground running, and Maui Sunset welcomes her and her husband, Mark, and her family to the Ohana.

Some of the matters of the Association I dealt with was with a troubled timeshare owner who was trespassing on Maui Sunset property, violations in the drainage system, appeals to the County of Maui regarding the county's R1 irrigation water demands, and both a personal and Association discrimination complaint to the Hawaiian Civil Rights Commission. This resulted in mediation that caused the Board's adoption of policies with respect to reasonable accommodation for service animals and non-discrimination.

The Association installed a back-flow preventer and new well pump, converted its cable service to digital, renovated the employee break room and retiled the elevator floors. In addition, the President worked with the General Manager and office staff to improve operations in payroll, vacation time accrual and proper mail handling. They have also discovered many areas of deferred maintenance, such as dryer vent cleaning and expired elevator permits. These items are now added to the Association's extensive "to-do" list for 2019.

Contracts were reviewed and renewed for landscaping and propane, resulting in lower costs for the Association. One such example is on waste removal that was negotiated by Elvin. I wish to thank Elvin for getting Maui Sunset's a new waste proposal contract at such a favorable rate:

Now cardboard will be removed two times per month at no additional charge. The removal of trash compactors at no charge.

Our price goes from \$4262.50/ month to maximum \$3645.39/ month. It will be less in low season. The annualized savings to Maui Sunset will be \$7406.40.

There are many more projects that the Board has worked on in 2018 — these will be left it to the individual Directors to report their accomplishments.

The employees are to be commended for their excellent performance in the execution of their duties. They take great pride in their work and treat the property as their own. They are the best, and the Association is very lucky to have such a dedicated group of employees.

GENERAL MANAGER'S REPORT—KARI DAVIS

Kari thanked the Board for the opportunity to serve as Maui Sunset's new Manager. She is also thankful for all the wonderful homeowners she has met and for Maui Sunset's talented staff. It feels like a wonderful 'ohana at Maui Sunset, and she feels right at home.

She spent the first couple of months getting to know her way around and learning the vendor contracts, mechanical systems, employee responsibilities and office processes. Now that she is established, there are several ongoing projects and new ones being added to the list. Kari feels passionate about getting things running in tip-top shape, and she pledged to give it her all when accomplishing projects. Kari is extremely thankful to the Board for the time, attention and feedback they give her.

CC&R and HOUSE RULES HIGHLIGHTS



CC&R's Highlight

HOT TOPIC at the Annual Meeting last month was the installation of security cameras. Many owners in audience were upset that it was taking a long time to decide on adding security cameras. Turns out because it is an alteration to the property over \$3,000 the expense must be voted on by owners.

Our property runs so smoothly because the general manager and board can take swift action on most items. Day to operations aren't stalled waiting for an all homeowner vote.

If you are interested in helping with the security camera committee please contact Scott Graves, grounds committee.

Excerpt from the Covenants, Conditions and Restrictions and by-laws of the AOA of Maui Sunset.

http://www.mauisunset.me/uploads/2018-7_MSCCRs03.pdf

SECTION 5. Additions or Alterations by Board. Whenever in the judgment of the Board the Common Elements shall require additions or alterations costing less than three thousand dollars (\$3,000.00), the Board may proceed with such additions or alterations and shall assess all Apartment Owners for the cost thereof as a common expense. Any additions or alterations costing in excess of three thousand dollars (\$3,000.00) may be made by the Board only after obtaining approval of at least two-thirds of the Apartment Owners. If such approval shall be obtained, the cost thereof shall constitute part of the Common Expenses.

House Rule Highlight

It's important and part of the house rules to communicate your guest plans. All owners must also register at the front desk each time they arrive for a stay. The fax number to the desk is 808-879-0676. Also, an **ON ISLAND** contact for each condo is required by our rules and now by Hawaii law. This way if you have communicated that your condo should be vacant, security can be alerted to possible suspicious activity. It is also important in case of emergency. Please send your island contact information to Kari Davis gmmauisunset1032@gmail.com

<http://www.mauisunset.me/uploads/House Rules v7 all changed.pdf>

5. OCCUPANCY: a) MAUI SUNSET shall be operated as a resort condominium project, and each apartment thereof shall be used only as a residence and shall not be used for business or other purposes without the written approval of the Board of Directors, except that apartments may be leased or rented from time to time to transients. When an absentee owner handles their own rentals, they are responsible make available four set of keys for the front desk and one set of keys for emergency. Also, the absentee owner must advise the general manager who is responsible on island for maid service and for maintenance. Absentee owners must FAX or send a letter of arriving guest's name, arrival date, duration of stay, and unit number to the AOA office seven (7) days prior to their arrival. The office shall be notified immediately if there any changes in the information in the above FAX or letter.

DRAFT MINUTES OF THE ANNUAL HOMEOWNERS MEETING

Association of Apartment Owners of Maui Sunset Annual Owners Meeting Minutes January 25, 2019

Board Members Present: Sandra Hooper, President and Treasurer; Dave Courson, Vice President; Jack Wetherall, Secretary; and Directors Ed Meyer, Leigh Randle, Harry Hecht and Scott Graves

Other Attendees: Kari Davis, General Manager; Ron Kawahara, Sara Freitas, Kaimana Agor and Bronson Camanse, Destination Maui, Inc.; Shaun Thayer, CPA; and Carol Simmons, Recording Secretary

I. CALL TO ORDER

President Sandra Hooper welcomed the owners and called the Annual Owners Meeting of the Association of Apartment Owners of Maui Sunset to order at 8:32 a.m. The Meeting was held at St. Theresa Church, Kihei, Maui, Hawaii.

II. DECLARATION OF QUORUM

With 16.8129% of the owners present in person and 68.226% by proxy, a total quorum of 85.4394% was declared.

III. APPOINTMENT OF PARLIAMENTARIAN

Mr. Kawahara was appointed meeting Parliamentarian.

IV. INTRODUCTIONS

Introductions were made at this time.

V. PROOF OF NOTICE

It was certified Notice of Annual Meeting was sent to all owners of record in accordance with the Association governing documents, and it was posted on property in compliance with Hawaii State Law.

VI. APPROVAL OF MINUTES

Minutes of the January 26, 2018, Annual Owners Meeting were distributed to owners at registration.

MOTION: To amend the Minutes of the January 26, 2018, Annual Owners Meeting from "The owners may paint or otherwise decorate the floors, walls and ceilings of their lanai without prior written consent of the Board..." to "The owners may not paint or otherwise decorate the floors, walls and ceilings of their lanai without prior written consent of the Board..."

McKeen Kessel, Jr. / Perry Brassington Unanimous Approval

MOTION: To approve the Minutes of the January 26, 2018, Annual Owners Meeting, as amended.

A Motion was duly made, seconded and unanimously approved.

VII. PRESIDENT'S REPORT

The President began by noting that 2018 was a transitional year at Maui Sunset. The Association saw the resignation of former Manager Jason Sablas and the hiring of new Manager Kari Davis, who began in her position in early June. After a very brief orientation, she hit the ground running, and Maui Sunset welcomes her and her husband, Mark, and her family to the 'Ohana.

New to the role of President, President Hooper spent many hours working on behalf of the Association on such matters as dealing with a troubled timeshare owner who was trespassing on Maui Sunset property, violations in the drainage system, appeals to the County of Maui regarding the county's R1 irrigation water demands, and

both a personal and Association discrimination complaint to the Hawaiian Civil Rights Commission. This resulted in mediation that resulted in the Board's adoption of policies with respect to reasonable accommodation for service animals and non-discrimination.

In 2018, the Association installed a back-flow preventer and new well pump, converted its cable service to digital, renovated the employee break room and retiled the elevator floors. In addition, the President worked with the General Manager and office staff to improve operations in payroll, vacation time accrual and proper mail handling. They have also discovered many areas of deferred maintenance, such as dryer vent cleaning and expired elevator permits. These items are now added to the Association's extensive "to-do" list for 2019.

Contracts were reviewed and renewed for landscaping, refuse removal and propane, resulting in lower costs for the Association.

There are many more projects that the Board has worked on in 2018 — the President will leave it to the individual Directors to report their accomplishments. She thanked the Board for their time and efforts on behalf of the homeowners.

She concluded by commending the employees for their excellent performance in the execution of their duties. They take great pride in their work and treat the property as their own. They are the best, and the Association is very lucky to have such a dedicated group of employees.

The President answered questions the owners had.

VIII. TREASURER'S REPORT

Treasurer Hooper updated the owners on the financial status of the Association for the year ended December 31, 2016.

Maintenance assessments are reflected on an accrual basis, and since there are no major delinquencies, assessments accurately reflect collections. At year-end, late fees were \$50. Total income came in below the budgeted amount by \$10,901, mainly due to a difference of \$11,071 in amounts budgeted for electricity income and electricity owners. This difference is mainly due to a timing issue.

Association expenses were reviewed, and variances were noted and explained by line item, including payroll and benefits, repairs and maintenances, utilities and administration.

In 2018, there were expenses that were not anticipated, nor planned and budgeted for, including a backflow preventer for \$16,900. This was necessary in anticipation of the R1 initiative and will require annual maintenance. Additional expenses include tree trimming and cutting for \$4,874.

Reserve expenses in 2018 included the spalling project (\$469,413), elevator refurbishment (\$4,003.85), fire extinguishers (\$1,162), doors (\$410.14), sewer and plumbing (\$4,823), sewer stack and lateral repair (\$1,311.98) and palm tree replacement (\$1,655).

The total charged to Reserves was \$482,778.97, and the current Reserve balance is \$825,487. The Treasurer explained that the Association has an estimated \$133,000 in deferred repair and replacement items in its Reserve Study of 2016, in addition to what could be \$500,000 in spalling repairs for the corner of B building. This is justification for her recommendation for a Reserve contribution increase in the Budget report for this year of 21%.

Total income for the year was \$1,683,256, while total expenses, with the additional special project expense for the backflow preventer, were \$1,705,180, resulting in a net income deficit of \$21,923 — less than 1% of the total budget.

The Treasurer answered questions the owners had.

IX. AUDIT REPORT

The Association Independent Auditor was introduced. CPA Shaun Thayer performed the year-end audit, December 31, 2018, and a clean opinion was rendered.

Mr. Thayer explained that Associations have a difficult task, because during the fall, they must estimate all expenses — and owners' maintenance fees — for the year to come. The Association's 2018 year-end net income deficit was pretty good considering all of the variable costs over the course of the year.

The Reserve Fund had a deficit of \$247,000, due to the \$469,413 expenditure for the spalling project. Accounts receivable remain in very good shape with no severely delinquent owners

The Reserve Fund has cash and investments totaling approximately \$825,000. The Reserves are funded by the Cash Flow Method, and the Reserve Study will be updated in 2019. Copies of the Reserve Study are available to owners.

Mr. Thayer and the Treasurer answered questions the owners had.

X. GENERAL MANAGER'S REPORT

Ms. Davis thanked the Board for the opportunity to serve as Maui Sunset's new Manager. She is also thankful for all of the wonderful homeowners she has met and for Maui Sunset's talented staff. It feels like a wonderful 'ohana at Maui Sunset, and she feels right at home.

She spent the first couple of months getting to know her way around and learning the vendor contracts, mechanical systems, employee responsibilities and office processes. Now that she is established, there are several ongoing projects and new ones being added to the list. Ms. Davis feels passionate about getting things running in tip-top shape, and she pledged to give it her all when accomplishing projects. Ms. Davis is extremely thankful to the Board for the time, attention and feedback they give her.

Ms. Davis spends most of her time in the office, and owners are welcome to contribute ideas or comments to make Maui Sunset an even better place to live. She can also be reached by e-mail, phone or text if she is away from the office during the week. Owners are encouraged to join her e-mail distribution list, which she feels is the fastest and easiest way to keep everyone up-to-date and in-the-know.

Ms. Davis concluded by noting she was excited to have the opportunity to plan this year's annual Homeowners' Party and raffle. She thanked her mom for all of her hard work getting many wonderful raffle items.

She answered questions the owners had.

XI. COMMITTEE REPORTS

A. Budget

The Treasurer gave a Budget Report for 2019, noting that the following budget assumptions were made: 1) A 2% increase for employees plus bonuses approved at the August Board Meeting; 2) A 1% increase in employee benefits; 3) A 31% increase in refuse (new contract began July 1, 2018); 4) A reduction in Activities Desk income based on present year-to-date data; 5) A 12% increase in kayak storage fees due to more accurate billing; 6) A 20% increase in storage rental (increase approved in 2017 after budget); 7) A 79% increase in buildings (removed funds from beach cleanup and added to buildings); 8) A 4% increase in accounting agreement; 9) An 8% increase in insurance beginning August 2019; 10) Slight increase in legal fees from present run rate; 11) A \$2,000 increase in meeting expenses due to more scribe hours; and 12) A yearly increase to Reserves of \$52,493.

Regarding the Reserves, the Board now knows the Association will have spent \$500,000 on the A Building project. If the B Building is done in 2020, that will use up all the Reserve money the AOA would have contributed over the next two years, and there would be no money for other items such as pool furniture, parking lots or preparing for R1 irrigation. Therefore, the Treasurer believes it would be prudent to raise the Reserves.

In order to have a break-even budget, it is necessary to raise maintenance fees by 6%; there was no increase for 2018 and a 9% increase for 2017. The new maintenance fees will be: 1) One-bedroom apartment increase of \$29.37/month and \$352.53/year, and monthly fee from \$489.63 to \$519 per month; 2) Two-bedroom increase of \$38.52/month and \$462.24/year, with monthly fee on average from \$642.01 to \$680.53; and 3) Three-bedroom increase of \$61.02/month and \$732.24/year, and monthly fee from \$1,017.28 to \$1,078.30.

The Treasurer tested the budget built in August against the Association's August and September actual figures and believes no further adjustments are needed. She asked for a vote of approval on the budget.

B. Insurance

The Treasurer gave a Year-End 2018 Insurance Report. She reported that insurance for the Association was renewed August 1, 2018, with a total premium of \$103,935, which represents a 16% year-over-year increase. This increase was primarily caused by a \$10,571 hike in property coverage. First Insurance, the Association's carrier, suffered losses due to a high-rise building fire in Honolulu. As a result, the company has increased all premiums for high-rise condominiums due to the rise in property values and an additional premium for buildings without sprinklers.

There were four water incidents — one in A Building and three in B Building — this year that were reported to the insurance company. All of the incidents in B Building caused damages to the units below them. She explained how the Association managed the incidents.

During one of the water incidents, it was discovered that one of the property owners had not obtained an H06 policy as required by law. The Association is required to retain evidence of homeowners' proper insurance coverage: an H06 policy. An audit of homeowners' H06 coverage was conducted. With Ms. Davis's help, the Board began contacting homeowners. As of January 10, 2019, the list of delinquencies has been reduced to 13 expired policies and five without evidence of an H06 policy.

She emphasized that all homeowners need to have an H06 policy, by law, and either no policy or an expired policy affects the value of all homeowners' property. Therefore, her plan, with Board approval, is to try one more time to contact unresponsive homeowners and give them a 60-day timeframe to comply. Failure to comply would result in the Association purchasing an H06 policy for the units involved and charging the premium to the homeowners, which the AOA is allowed to do under 514B.

The Treasurer answered questions the owners had.

C. Amenities

Vice President Courson gave an Amenities Committee Report for the Annual Meeting and first quarter of 2019.

The replacement and relocation of the bicycle rack in front of the B Building has been completed. The new rack is stronger and more attractive.

Gym maintenance is on schedule. All machines will be tested for safety in February. Two ten-pound weights were taken from the gym. He noted that all weights and gym equipment are to remain in the gym.

Six new tennis rackets — four for adults and two for children — have been purchased.

The pool will be closed for routine maintenance on Nov. 4-7, 2019. Pool furniture is being replaced as needed. The committee appreciates the discount available for the purchase of new pool furniture through the timeshares.

Pool security continues to be a problem. The General Manager is waiting for additional bids from Security Tech and Aloha Lock and Safe, in addition to a bid from an electrician, before making her recommendation to the Amenities Committee. The projected cost to provide key fob readers for the gym and pool area is \$3,000 to \$5,000. He detailed the pros of using card readers. The committee recommended further research and additional input from the AOA before bringing a recommendation to the Board of Directors for a vote.

An ad hoc "Pool Rules" Committee is currently reviewing the pool rules. A report and recommendation for Board consideration will be presented following a final decision regarding the possible implementation of key fobs.

The old pool noodles have been replaced. The Activity Desk informed Ms. Davis that they are no longer supplying pool noodles.

Thirty-two shuffleboard disks have been replaced. Elvin is fixing divots. Repairs on two of the shuffleboard courts will begin in February 2019.

Twenty-two kayaks are currently being stored in the kayak storage, along with about a dozen surfboards. The kayak storage area has been recently updated, and new codes and locks have been issued.

New parts for the barbecues were ordered and installed. All are working well.

The newest amenity is the lighting in three trees in the courtyard. These lights improve the appearance and safety of the courtyard. Electricity to power these lights is provided through Maui Sunset's solar panels.

Meetings with the General Manager are regularly held to identify and prioritize amenities issues. The Vice President commended Ms. Davis for her insight and availability in assisting the Amenities Committee in maintaining the high standards of providing the amenities Maui Sunset residents and guests continue to enjoy.

Owners should feel free to contact the Vice President at any time regarding questions or suggestions pertaining to committee responsibilities and/or actions.

D. Internal and Public Relations

Vice President Courson gave an Internal and Public Relations Committee Report for the Annual Meeting and first quarter of 2019.

In addition to serving as Vice President of the Maui Sunset AOA, Mr. Courson serves as a Commissioner for the County of Maui. Many owners and residents are concerned about the increase of illegal entry into AOA condominiums and trespassing on the property. It's been observed that individuals trespassing and illegally entering Maui Sunset condominiums are the same individuals engaging in other illegal activities throughout the day at Waipuilani Park immediately adjacent to the Maui Sunset property.

During the past year, residents and guests have been encouraged to write letters to the Maui Police Department and Mayor's Office if they have observed trespassers and/or violations of Waipuilani Park rules. If the Mayor's Office and Maui Police Department are notified in writing by enough owners, ten residents and guests of Maui Sunset, the County will allocate more resources toward enforcement of laws pertaining to the adjoining park, including the illegal consumption of alcoholic beverages in the park, camping in the park, indecent exposure, sale and distribution of illegal substances, and a general disrespect toward recreational park users and Maui Sunset residents and guests.

The committee has also recommended the elimination of bushes and undergrowth between the Waipuilani Park public parking lot and the Maui Sunset B Building, where much of this illegal activity originates.

E-mails and telephone calls are also effective, but a personal letter has the greatest impact. The contact information is: Mayor Michael Victorino, Kalana O Maui Building, Ninth Floor, 200 S. High St., Wailuku, HI 96793, telephone: 808-270-7825, and e-mail: Mayors.office@co.maui.hi.us; and Chief of Police Tivoli Faaumu, 55 Mahalani St., Wailuku, HI 96793, telephone: 808-244-6400, and e-mail: crs@mpd.net

Living on the property "full-time" provides the Vice President ample opportunity to "talk story" with the Maui Sunset staff and maintenance crew. The staff continues to adhere to "the highest standards of excellence" in their various responsibilities. Residents and guests repeatedly comment on the professionalism, cordiality and efficiency of the Maui Sunset staff. The grounds and maintenance crew continue to serve efficiently and effectively.

Board members and Ms. Davis answered questions the owners had.

E. Buildings

Directors Randle and Hecht gave a Building Report dated January 25, 2019.

1. Building Construction

Building construction work on the few remaining items on the northwest corner of the A Building is nearing completion. The cost of the work was under the amount authorized by the Board. Two windows constructed by the manufacturer were smaller than planned; replacing them delayed the project considerably. The tentative installation of the replacement windows will be in February 2019. Final payment will not be made until all work is completed.

Severe lanai spalling became apparent on two A units. The Board will be asked to authorize repairs to these lanais at an estimated cost of over \$10,000.

Exploratory work for the repair of the southwest corner of the B Building will be done in May. The results of this investigation will be used to design the repair. A design agreement will be negotiated with the structural design

firm, and an agreement will be negotiated with an architectural firm. The architectural firm will be needed to develop the architectural plans for the County and to apply for the various permits required to perform the work. Construction will be done in 2020 or later, depending on the permit process and available funding.

2. Sanitary Sewer

The committee has concerns about the sewer piping under the ground floor units. The pipes under the ground floor slabs are in eight different sections — four in each building — with the piping going to the County sewer line at two locations. This piping receives the sewer flows of all units, and without these sewer lines, the Association would have no wastewater disposal. The average lifespan of this type of piping in Hawaii is 40-45 years. The Association has not yet had a failure in these pipes, but the Board and owners need to be aware of this issue. By mechanically descaling the lines, the committee should be able to better determine the pipes' conditions and decide on a proper course of action to make the lines sound. Due to the risk of pipe failure when doing this type of work, the panel proposes to attempt to descale one section of pipe in the common area as a trial. Before proceeding with mechanical descaling of the pipe, the committee will investigate the possibility of a chemical descaling plan. If this process could provide successful descaling, so that the panel can determine the structural soundness of the underground piping — it would be much less risky than mechanical descaling.

3. Wastewater (R1) Appeal

On July 3, 2018, Maui Sunset filed an appeal of the Director of Environmental Management for Maui County's demand that the Association connect to the county's wastewater line and use R1 treated wastewater for the irrigation of the property. That appeal should be heard, per county guidelines, before July 3, 2019. The reasons for the Association's desire to reject the county's demand include, but are not limited to, an estimated cost of as much as \$1,000,000, health issues, violation of federal law, and overstepping County authority.

There will be a new Director of the Environmental Management, and the Board hopes there will be a chance to negotiate some middle ground with the county. The Association has been using its well water to irrigate Waipui-lani Park adjacent to the property much of time. The County for a long period did not use any wastewater on the park. Recently, the County has, without notice, started watering sporadically.

4. Solar System

In meeting with Bank of Hawaii about the solar system, representatives have unofficially indicated that at the end of the Association's ten-year lease, the bank would consider a buyout figure of 7 to 10 percent of the cost of the system. The committee believes that yearly or biyearly meetings with the bank will make the transition at the end of the lease period much easier. It seems apparent, at this time, that the bank is not interested in being the long-term owners of Maui Sunset's solar system.

Directors Hecht and Randle answered questions the owners had.

F. Long Range Planning

The Building Committee has been focusing on repair of the building and its utility systems.

The committee's chief priority is to repair existing spalling: completion of the northwest corner of the A Building; exploratory investigation, design and repair of the southwest corner of the B Building; and repair of continual spalling of lanai edges, in many cases caused by air conditioning units and unsealed concrete.

Additional priorities include determining the condition of the sewer system with a priority on the underground sewer line under the ground floor units; and monitoring the existing solar system, planning for modifications to maximize its use and lower Association electricity costs, and preparing for the eventual takeover of the system should Maui Sunset elect to move in that direction.

Directors Hecht and Randle answered questions the owners had.

G. Grounds & Design

Director Graves provided a First Quarter 2019 Security and Grounds Report.

1. Security

This past quarter, there were several minor but annoying security issues. Cars have been broken into and in some cases damaged. In one instance, a vehicle registration was taken, and annual tabs on license plates have been stolen in the area. Owners are advised to routinely check license tabs. First floor lanai furniture has been taken, and trespassing on the property is an ongoing issue.

Three bids have been obtained from Maui security firms for combined building and pool area coverage. These companies all recommend Internet Protocol camera systems for the ability to magnify with reduced pixilation. Bids include installation and purchase of state-of-the-art equipment. The bids do not include laying a conduit between the two buildings — a process that the grounds and maintenance staff can accomplish.

The prices are: Security Tech, \$12,007; Blackhawk, \$13,286; and APN, \$9,950. There are advantages and disadvantages to the different offerings by these companies in terms of coverage of the property. He checked references with other Associations on the firms' performance. He said the bids should be properly weighed before making a decision on this issue.

Director Graves spoke at length about the pros and cons of installing security cameras at Maui Sunset. Goals include crime prevention and documenting incidents. Placement of the cameras, including the weight room, needs to be strongly considered.

The security firms are unanimous in recommending waterproof Internet Protocol (IP) cameras, which broadcast their video as a digital stream over an IP network. IP video can be viewed remotely, and the recorders have sufficient storage capacity for eight cameras for 20-30 days before the data is replaced with overwrite.

He reviewed elements of the proposals by the security firms, as well as general pros and cons of installing cameras.

A common belief is that security cameras prevent crime. Posted signs indicated video surveillance are a definite deterrent to crime, with evil doers going elsewhere.

Documentation of evidence is an important objective. Clearly, the proper cameras need to be installed in key locations for this to be a benefit. High resolution cameras may be more costly but poorer quality cameras will not likely help in identification. A system needs to be in place with a video recorder working 24/7, with recorded over capabilities every 20-30 days. Longer periods are available by installing more memory. A video screen showing each camera is important for instant verification and demonstrating if any camera is malfunctioning.

There was a crime update over the past 12 months at Maui Sunset.

Cars have been vandalized, with their car tabs stolen.

Furniture has been stolen from first floor lanais.

Several cars have been recently broken into, probably using a "Slim Jim" and most likely a homeless person has ransacked the car; in some cases causing damage and spending the night sleeping in the vehicle. After these incidents, Cars have been found unlocked but with no apparent break-in damage to door locks.

The suppliers generally suggest the location of the installation of the cameras at the entrances to the parking lots, and cameras that cover the perimeter of accessible points. Cameras are located on the walls of the parapets of walkways with color matched conduit to minimize unsightly installation. Any system can be added upon. Mr. Graves recommended installing a basic system that adequately covers entrances to the courtyard and entrances/exits to the parking lots. The big question is the pool area. Installers feel a separate system for the pool is not the best approach. One system for the entire complex is best. Placement of the cameras needs to be strongly considered, e.g. low for facial recognition, higher up for overall view and vehicle ID.

None of the vendors suggested analog cameras. These may be less expensive but require additional support and have poorer resolution than IP. IP (Internet Protocol) video cameras broadcast their video as a digital stream over an IP network. IP Video will almost always be more expensive, but the availability of much higher resolution recorded images makes it a much more powerful system. The ability to digitally zoom in on recorded video makes identification much more likely. IP video can be viewed remotely.

The cameras are waterproof.

The Board is considering low light infrared cameras; the lighting supplied is sufficient.

The recorders have sufficient storage capacity for eight cameras for 20-30 days, following which the data is replaced with overwrite.

Three bids for a video surveillance system have been solicited from Blackhawk, Security Tech and APN Alarm Company.

The initial costs were noted.

The Blackhawk bid, without pool coverage, is \$11,345.09; and, with pool coverage, \$13,286. The proposal includes cameras, NVR, Cat5e cable, connectors, conduit, boxes fittings, installation labor and programming, set-up and training. Projects costs do not include trenching and conduit between A and B Buildings.

Ongoing costs for the Security Tech proposal are \$49 per month.

There is no plan available for the Blackhawk maintenance. Customers receive a preferred flat hourly labor 24/7 for time and material related service calls of \$125 per hour. Plan 1 is a Priority Response proposal, with more immediate response service calls within four-five hours, \$275/year. Plan 2 is a Comprehensive Labor Coverage proposal. It covers up-front labor costs associated with emergency service calls, repair labor costs for systems trouble shooting and diagnostics and component repair, \$65/year. This plan is for normal business hours and would replace Priority Response coverage. Plan 3 is Comprehensive Component Coverage and covers failed components identified in the equipment list, \$35/year. Software updates allows system to keep pace with software revision, etc., \$10/year.

The APN proposal for ongoing costs will be made available.

Maintenance includes cleaning and inspection of cameras two times per year; and, perhaps more often during hurricane season.

Wi-Fi is not necessary if the cameras are located on the building as part of the general system. Signage at the pool is required, alerting people to the fact that they are under surveillance.

With Security Tech, Wi-Fi is needed as it is a separate system.

Blackhawk offers a three-year warranty on cameras and recording, and one to three year coverage on switches and other components.

APN offers a five-year warranty on their Acti cameras; however, does not cover labor to replace. These cameras are very high quality.

It was noted that the Association can start small and expand on the system.

Seven other condominium association have been contacted. Six have cameras, one does not. Three of the six have pool coverage. Menehune Shores highly recommended Blackhawk. All six recommended installing cameras. On the advice of their attorney, one association removed cameras due to liability questions. APN lists 15,000 Hawaiian corporate customers.

Pros for installation of a video surveillance system, found on an internet , were listed: 1) Improves safety; 2) Reduces crime rate; 3) Helps to apprehend criminals; 4) Provides evidence and gathers clues; and 5) Improves confidence and everyday life.

The cons were noted, as follows: 1) Systems can be abused, e.g. blackmail, voyeurism; 2) Effectiveness as a deterrent is limited. If someones really wants to do harm, i.e. a terrorist, cameras will not be a deterrent; and 3) Cost is about \$10,000 to \$14,000 per installation with annual upkeep of \$100 to \$200 per year.

The Weight Room came up as a need for surveillance for safety and concern over assault or accusation of assault.

2. Grounds

Sonny and his crew have continued their excellent service of caring for the grounds and Waipuilani Park. The Association is fortunate to have their expertise.

This past year, the County of Maui affirmed the Association's requirement to remove standing water from the Waipuilani Road and South Kihei Road intersection. The agreement with the county entails that the Association remove standing water within two hours after a storm. The Association must have the personnel and equipment for this task to avoid future notifications.

The parking lots have cracks that the Board elected to address this past quarter. Due to the excessive cost of resurfacing, the Board elected to fill cracks with sealant. The A parking lot was treated with a cold compound by the maintenance staff. This approach has been used in the past but was ineffective this time. A Pacific Asphalt and Maintenance bid was accepted for crack filling the B lot only. The crew appeared on an extremely windy day, and the quality of work did not meet expectations. The work was halted, and a meeting between Ms. Davis, Director Graves and the Pacific Asphalt manager was held to negotiate a solution. Completion of the job is scheduled for January 28, 2019.

Director Graves explained that crack filling is a stopgap measure. Resurfacing, a superior solution to the cracking problem, will need to be addressed in the coming years. Very rough estimates are in the range of \$250,000.

3. House Rules

The committee has been evaluating violations of House Rules. A spreadsheet has been established to track owner notification of a violation, the owner's response, issuance of subsequent letters noting the violation and issuance of fines if needed.

This past year, the Board has sent 40 letters of violations relating to curtains, front door color and other compliance issues; and condition of walkway air conditioning units, excessive rusting, improper placement and related issues. Letters were also sent early in the year to owners with A/C units not properly connected to drainpipes — a major problem this past quarter. Responses to violations have generally been favorable, without imposition of fines.

Recent revisions to 514B required clarification on the issuance of fines for violation of House Rules. A Motion was made and approved at the Third Quarter Board Meeting that a Resolution be placed before homeowners that information regarding imposition of fines and an appeal process for violation of House Rules be added to the governing documents.

Director Graves invited owners to ask questions and offer input on security and cameras.

H. Human Resources Report

There was no new information to report.

I. Rules and Regulations

Secretary Wetherall conducted an audit to see if the Association is in compliance with County of Maui and State of Hawaii Laws, as well as its biannual reports. He found that the auditor failed to file the Association's biannual registration with the Hawaii Department of Commerce and Consumer Affairs. The fee for 225 units is \$2,310.

Secretary Wetherall explained that he was selected to review all of the Governing Documents, going back to when the Association was founded. He consulted with the Association's attorney during the process.

After reviewing the documents, before the August 2018 Board of Directors' Meeting, the Secretary sent the Resolutions included in today's Meeting Packet to the Board to see if anyone had any objections. Director Hecht did not receive the Resolutions, and as a result, he didn't have an opportunity to comment. The President and Director Randle offered input on the Resolutions.

The Secretary said the Board received no substantial questions, suggestions or changes for the Resolutions until they were mailed to owners. Director Graves raised concerns, and Director Hecht explained that he never had a chance to review the language of the various sections.

Since Board members and owners have expressed concerns about the four Resolutions, the Secretary recommends tabling them to provide an opportunity for owners to provide written comments on them.

Mr. Kawahara recommends that owners vote on the Resolutions by special ballot. The ballot should state the pros and cons of each Resolution, so owners can make informed decisions. Since the Governing Documents would be impacted, changes would require a 67 percent vote of approval by owners. Although there is no deadline, a year to vote is a reasonable timeline.

MOTION: To table the revisions to the Association's Governing Documents until the 2020 Annual Meeting. Ballots for the proposed Resolutions will be mailed to all owners and Board members.

Jack Wetherall / Ed Meyer Motion Passed; Ellen Friel opposed

J. Timeshare Liaison

Secretary Wetherall said there is no news to report.

XII. ELECTION OF DIRECTORS

With the terms of Jack Wetherall and Harry Hecht expiring, there are two vacancies on the Board. Two owners expressed interest in serving on the Board, Jack Wetherall and Harry Hecht, and their names were placed on the ballot. The President asked for nominations from the floor.

MOTION: To close nominations and elect Jack Wetherall and Harry Hecht to serve on the Board by acclamation.

Ed Meyer / David Courson Unanimous Approval

XIII. MEETING RECESS

The meeting recessed at 11:20 a.m. Business resumed at 11:35 a.m.

XIV. COMMITTEE REPORTS (Continued)

K. Beach

Director Meyer said the beach at Maui Sunset has held up well despite recent storms and big south swells.

L. Communications

Director Meyer said the newsletter will be finalized next week.

He reported the coach airfares for Directors to attend today's Annual Meeting: Leigh Randle, \$610.82; Jack Wetherall, \$576.61; Ed Meyer, \$674.19; and Sandra Hooper, \$595.80.

Director Meyer also announced the dates of upcoming Board of Directors' Meetings: May 3, 2019; August 16, 2019; and November 8, 2019.

XV. ANNUAL RESOLUTIONS

MOTION: To ratify the appointment of Destination Maui Inc. as the Association Agent.

Jack Wetherall / Ed Meyer Unanimous Approval

MOTION: Resolved that any excess of membership income over membership expenses for the year-ended December 31, 2018, shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Rules 70-604.

Jack Wetherall / David Courson Unanimous Approval

MOTION: To ratify the actions of the Board for the year 2018, including this Annual Owners Meeting.

Ed Meyer / Leigh Randle Unanimous Approval

MOTION: To ratify January 24, 2020, as the date of the next Annual Owners Meeting.

David Courson / Ed Meyer Unanimous Approval

XVI. NEW BUSINESS

A. Minutes

McKeen Kessel last week asked to review Association Board of Directors' Meeting Minutes going back more than two years. The Secretary said a two-year limit — the current year and the year prior — to review Minutes is stated in the Association's Governing Documents.

The Secretary read the passage. Director Meyer added that Minutes are posted on the Association Website and sent via Newsletter to all owners. The owner noted that Hawaii Revised Statutes 514B, which governs Condominium Associations, states that all Minutes should be available to owners. Mr. Kawahara said all Minutes should be available to owners by request.

B. Ownership List

Mr. Kessel requested a list of contact information from AOA, including personal e-mail addresses and phone numbers. Six owners — Kessel, Bubbs, Rydel Duckworths, Friel — presented notarized affidavits requesting a copy of the Association's list of owners including addresses, e-mail and phone numbers. The President reviewed Association documents and sought legal guidance. She determined that a notarized Ownership List can be provided to owners, at their expense, detailing owners' names and addresses. Mr. Kawahara confirmed that any additional information, including phone numbers and e-mail addresses, must first be removed. The list is intended to be confidential, for the office to use in the event of an emergency. A separate contact list was created by the General Manager for her own confidential use to keep owners informed. The President said all owners would have to approve the release of their personal contact information before it can be distributed.

C. Directors' Flights

An owner suggested that the Board and DMI research if owners can earn miles while paying Association fees by credit card. The miles can then be used for Directors to attend Board Meetings.

D. Signing of Minutes

An owner asked if Minutes should be signed by the Board Secretary. Mr. Kawahara noted that Minutes are typically signed by the Recording Secretary. The Board Secretary's signature is not required, but going forward, the Secretary will sign off on Board of Directors' Meeting Minutes that have been reviewed and approved by the Board.

XVII. ADJOURNMENT

The Meeting adjourned at 11:55 a.m.

Louise Rockett

Transcriptionist

DRAFT MINUTES OF THE FIRST QUARTER BOARD MEETING

Association of Apartment Owners
of Maui Sunset
Organizational Board of Directors' Meeting Minutes
January 25, 2019

Board Members Present: Sandra Hooper, Dave Courson, Jack Wetherall, Ed Meyer, Leigh Randle, Harry Hecht and Scott Graves

Other Attendees: Ron Kawahara, Destination Maui, Inc.; and Carol Simmons, Recording Secretary

I. DECLARATION OF QUORUM

A quorum was declared with all Directors present.

II. CALL TO ORDER

The Organizational Board of Directors' Meeting of the Association of Apartment Owners of Maui Sunset was called to order at 12:05 p.m. The Meeting was held at St. Theresa Church, Kihei, Maui, Hawaii.

III. PROOF OF NOTICE

Destination Maui, Inc. certified notice of the Board Meeting was sent to all Directors of record, in accordance with the Association governing documents, and it was posted on property in compliance with Hawaii State Law.

IV. APPROVAL OF MINUTES

The Board reviewed the Minutes of the November 9, 2018, Board of Directors' Meeting. One change was noted: references to the "Third Quarter Board Meeting" should be changed to "Fourth Quarter Board Meeting." Text of Resolutions was also divided correctly.

MOTION: To approve the Minutes of the November 9, 2018, Board of Directors' Meeting, as amended.

The Motion was duly made, seconded and unanimously approved.

V. ELECTION OF OFFICERS

The following Directors were duly elected to serve as Officers: Sandra Hooper, President and Treasurer; David Courson, Vice President; and Jack Wetherall, Secretary.

VI. COMMITTEE ASSIGNMENTS

Board Committee leadership was assigned as follows: Budget — Treasurer Hooper; Insurance — Director Randle; Amenities — Vice President Courson; Internal and Public Relations — Vice President Courson; Buildings — Directors Randle and Hecht; Grounds and Design — Director Graves; Human Resources — Vice President Courson; Rules and Regulations — Secretary Wetherall; Timeshare Liaison — Secretary Wetherall; Long Range Planning — Directors Randle and Hecht; Beach — Director Meyer; and Communications — Director Meyer.

VII. H06 INSURANCE

The President noted that 14 owners have yet to provide proof of required H06 insurance coverage. She has tried to contact the owners numerous times.

The President seeks Board authorization to send these owners a final notice letter, which she read aloud. If owners fail to respond and purchase the required H06 insurance coverage, the Association will purchase it through Maui Sunset's agent and bill the owners.

VIII. PRIORITY PROJECTS

Board members discussed and approved the following projects: 1) Resurfacing of B parking lot (already approved); 2) Cleansing of dryer vents (already approved); 3) B Building corner assessment (already approved); 4) Lanai spalling project costing approximately \$32,000; 5) Pool furniture; and 6) Sewer work costing approximately \$3,000.

IX. ADJOURNMENT

The meeting adjourned at 12:28 p.m.

Louise Rockett
Transcriptionist



SCARY HURRICANE SEASON MATCHED ACTIVITY RECORD IN THE CENTRAL PACIFIC

Adapted from an article by Timothy Hurley, The Honolulu Star-Advertiser/
November 29, 2018

The Central Pacific experienced six powerful tropical cyclones over a two-month period from August to the beginning of October, making it one of the most active seasons on record for the ocean basin. During a five-week stretch, the islands seemed to be under constant threat from hurricanes rolling in from the Eastern Pacific.

One of them was a Category 5 monster known as Hurricane Lane, the scariest hurricane facing Honolulu in decades. But after dumping more than 4 feet of rain on the east side of Hawaii island, the storm slowed, weakened and largely bypassed Oahu.

A few weeks later, Olivia entered the Central Pacific as a Category 1 hurricane before making landfall on Maui and Lanai as a tropical storm, the first tropical cyclone to hit those islands in the modern era. All six of the Central Pacific cyclones this season reached hurricane strength, the second most since reliable record keeping began in 1971. Four of the cyclones were major hurricanes with sustained winds exceeding 120 mph. Two of those reached Category 5 strength, with sustained winds of 160 mph.

HAWAIIAN AIRLINES TO OFFER CHEAPER SEAT OPTION STARTING IN 2019

By: KHON2 news

Brigette Namata

<https://www.khon2.com/news/local-news/hawaiian-airlines-to-offer-cheaper-seat-option-starting-in-2019/1656889587>

HONOLULU (KHON2) - "Authentic culture, effortless travel, genuine hospitality."

In a presentation to its investors, Hawaiian Airlines said that is what Hawaii travelers want, and what the company strives for.

Along with that dedication, the company is making some changes.

In 2019, Hawaiian will begin Sacramento to Maui flights, as well as Boston to Honolulu.

For seat choices, the Airlines currently offers the following options: Premium Cabin, Extra Comfort, and Main Cabin.

Starting 2019, a fourth tier will be added: the addition of Main Cabin Basic. It's a bare-bones version: no ticket changes or standby; seats are assigned after check-in, and though you can earn HawaiianMiles, travelers who choose this option will not be eligible for bonus miles. Boarding last is also part of the basic option.

Aviation expert Peter Forman says the new option means cheaper prices.

"It gives you more choice. If you are someone trying to get to the mainland, as inexpensively as possible, you've got a choice as less expensive as before," he explains.

Forman adds cheaper tickets still means money for the Airlines.

"It really fills up the airplane a little bit more and brings more revenue, so a good move for Hawaiian to do," said Forman.

Another major focus for Hawaiian Airlines is modernizing their space at the Daniel K. Inouye International Airport in Honolulu, which officials say is a huge need.

"This is an airline that continues to grow, and they'll run into growth pains if airport growth doesn't keep up with the airlines," said Forman.

The goal is to improve check-in and arrivals for guests.

Hawaiian Airlines plans on adding new ticket counter spaces, new security checkpoints, and by 2021, have more gates and a new baggage system in place.

"The airline business is a competitive place. You have west coast passengers going to Asia destinations. They're going to change planes in Honolulu. So, how nice that experience is will determine if they want to fly to Hawaiian again," said Forman.

HAWAII VACATION RENTALS OUTPACE TIMESHARES IN POPULARITY WITH TOURISTS

Adapted from an article by Allison Schaefer
www.staradvertiser.com
January 6, 2019

Vacation rentals in Hawaii appear to have displaced timeshares as the third most sought-after lodging choice behind hotels and condominiums in 2018. Historically, hotels, condominium rentals and timeshares have been at the top of Hawaii's institutional lodging choices. Hawaii Tourism Authority data from 2003 to 2017 showed timeshares as the third most-popular lodging choice. But vacation rentals pushed ahead of timeshares in January 2018 and continued to be the more popular choice throughout the first 11 months of 2018.

While HTA doesn't have 2018's final tourism numbers, arrivals are expected to skirt close to a benchmark 10 million — largely because of added flights and the added capacity that vacation rentals bring to the state's lodging inventory. Along with the increased popularity of vacation rentals has come community backlash around the country, largely over increased traffic and disruption in residential neighborhoods where units are located — often illegally in Hawaii.

According to HTA data, the majority of Hawaii's tourists still chose to stay at hotels or condos, but traditional accommodations have been significantly outpaced by the number of visitors choosing rental houses, bed-and-breakfasts, and private or shared rooms in private houses. During the first 11 months of 2018, HTA reported that some 5.4 million visitors stayed in a hotel, which was up nearly 4 percent from the same period in 2017. Transient vacation rental unit stays at vacation and bed-and-breakfast homes, and private and shared rooms came to

just over 1.1 million, a nearly 24 percent increase from the first 11 months of 2017.

One of the fastest growing accommodations categories through November was rental homes, where reported stays rose nearly 25 percent to 856,390. In comparison, the number of visitors who planned to stay in a timeshare through November was flat at 770,606. Joseph Toy, president and CEO of Hospitality Advisors LLC, said he believes vacation rentals are here to stay, but that there are limits to how far their popularity may take them.

"Vacation rentals offer more freedom of choice and give visitors the chance to embed in a community. They are similar to timeshares, but they don't offer the prepaid vacation feature or the ability to transfer to other properties in the brand system. Some consumers still will choose timeshare," Toy said. "Ultimately, I think most Hawaii customers will stay in hotels, which have always dominated our market." Toy said traditional lodging will continue to have the largest footprint since "new construction is increasingly regulating vacation rentals and the counties and state have discussed setting regulations that could limit their growth." But the trajectory of Hawaii's vacation rental market is hard to predict.

In the beginning, vacation rentals were often touted as a less expensive alternative that probably wouldn't displace traditional visitor lodging. Hawaii still has many economical vacation rental offerings. However, increased demand and wider acceptance from consumers has prompted the release of higher-end inventory that is marketed on digital platforms and competes more directly with the state's institutional visitor lodging.

MAUI VISITOR NUMBERS KEEP CLIMBING

Adapted from an article by COLLEEN UECHI/www.mauinews.com

Given the way visitor numbers have grown each year, arrivals to Maui could crack 3 million in 2019.

Visitor arrivals to Maui by air rose to 2,914,122 in 2018, a 6.2 percent increase over 2017, while visitor spending increased to \$5.07 billion, an 8.3 percent increase over 2017, according to Hawaii Tourism Authority preliminary statistics released Thursday.

Spending and arrivals also went up statewide. A total of 9,954,548 visitors came to Hawaii in 2018, an increase of 5.9 percent over the previous year. Visitors to Hawaii last year spent \$17.8 billion, an increase of 6.8 percent over 2017. More people were flying in from nearly every Mainland market — visitor arrivals from the U.S. West region increased by 9.6 percent, as did arrivals from the U.S.

East region (7.9 percent), Canada (2.7 percent) and all other international markets (2 percent). Arrivals from Japan, meanwhile, decreased slightly, by 1 percent.

Hawaii is expected to surpass 10 million visitor arrivals by air in 2019 — an increase of 1.8 percent over 2018, according the state Department of Business, Economic Development and Tourism's tourism forecast. Visitor spending is also expected to rise 4.2 percent to \$19.1 billion.

Sherry Duong, executive director of the Maui Visitors and Convention Bureau, said that "discussions are ongoing through a number of government agencies on how to address the perceived impact of tourism on Maui in terms of striking a balance between visitor experience and the resident quality of life."

"Good examples of this effort to enhance the visitor experience with a positive community impact include the Airbnb bill that was passed last year, as well as the Haleakala reservation system being put into place," Duong said.

When asked how the Hawaii Tourism Authority and Maui Visitors and Convention Bureau are changing their promotion tactics to deal with the rising tourism, Duong said that the bureau recently launched a new "Kuleana" educational video series focusing on cultural appreciation, ocean safety, ocean healthy and astute renting. They've been airing the videos on social media platforms, resort websites and hotel in-room channels.

But Duong added that the fourth-quarter numbers of 2018 also point to "signs of softening in visitor arrivals and expenditures" on Maui.

27 ACRE MAUI BAY VILLAS FIRST PHASE UNDERWAY AT FORMER MAUI LU SITE

Hilton Grand Vacations has started construction at the Maui Bay Villas, with work on the first phase slated for completion in the first quarter of 2021.

The 27 acre property is located on the site of the former Maui Lu property at 575 South Kihei Road.



Maui Bay Villas by Hilton Grand Vacations. Artists' rendering.

When complete, the resort will offer 388 units of one-, two- and three-bedroom suites, averaging 962 square feet, among a dozen one- to four-story buildings that are arranged in a low-density, resort-type campus.

Sales for the first phase are expected to begin in the first quarter of 2020.

Maui Bay Villas is the 10th property in Hawaii and the first on Maui for Hilton Grand Vacations Inc.

"Our customers consistently rank Maui as one of their top requests for expanding our portfolio of resorts, and we're thrilled to add this spectacular destination for our owners and guests," said Mark Wang, president and CEO, Hilton Grand Vacations in a company press release. "Expanding our brand presence to a third Hawaiian Island will further support Net Owner Growth by attracting new customers and enhancing the experience we offer our current owners."

Planned amenities include a large clubhouse with restaurant, keiki club, fitness center, grab-and-go market, large "super pool" with pool bar, oceanfront beach club and more than 15 acres of open-lawn recreational space.

INVASIVE BUTTERFLIES ON MAUI?

The beautiful, orange sulphur butterflies suck salts and other minerals from wet rocks at the shoreline of Ahihi-Kinau Natural Area Reserve. Hundreds of these butterflies were landing on the wet rocks exposed by the low tide. According to the University of Hawaii at Manoa, the sleepy orange butterfly is a new to Hawaii- they believe they first arrived to Maui



four years ago from Asia or Africa. On the Mainland where it is common, the species has different colors for winter and summer. The summer color is in the above photo. The report from the U of H said the invasive species does not appear to eat on native plants or pose a threat to other plants in Hawaii.



MAUI'S NEW SOLAR PROJECTS



Photo of the new Kuia Solar in West Maui

Recently, Kenyon Energy powered up Maui's first large solar project, generating 2.87 megawatts of solar power for the island's electric grid. The solar farm sits on 11.3 acres of Haleakala Ranch land mauka of Piilani Highway and the Maui Research & Technology Park.

Each of the 3-foot-by-6-foot panels can generate a little more than 300 watts of electricity when the sun is directly overhead. That's equivalent to a computer or about 10 or 15 LED lightbulbs.

An important goal for Maui's renewable energy plans is to develop more large projects with battery storage. The main reason this is important especially for wind power is the highest winds are at night, which is the lowest demand period for electricity demand. Batteries are now being developed for these new solar array projects. To put it in perspective, the entire output of the new solar array during the daytime can deliver the stored power for

a period of four hours which would help MECO during the afternoon and early evening demands.

The new philosophy is the utility believes it's easier to control large, centralized solar array systems than the thousands of smaller rooftop panels spread across the island.

There has been concerns from owners that claim the projects are unsightly. According to the developer, the new solar project for South Maui would be located above Maui Meadows and be visible from only certain parts of South Maui and Upcountry.

The goal of course is for less reliance on fossil fuels and lower rates. MECO currently charges 34 cents per kilowatt-hour. The new Innergex solar and battery project could sell power to the utility for less 11 cents/kWh. No one is stating how much this would affect our local power bills.

TWO-STORY CLUBHOUSE PLAN FOR WAIEHU GOLF CLUB

This is a conceptual rendering of a new two-story clubhouse at the Waiehu Municipal Golf Course. The county is looking to build a new clubhouse with the current 56-year-old building suffering a variety of infrastructural and functional problems.

The park department staff and the new design team will review the community's comments, look for more ideas and see if they can be worked into the clubhouse design.

The parks department next will submit a budget request to the County Council to complete an environmental assessment and to go through a special management area approval process. The process will probably take three to complete.

It is currently well planned with cart storage would be consolidated into one 4,500-square-foot area behind the pro shop and starter area. The kitchen would be moved to the back of the clubhouse rather than in its current location between a banquet room and dining room.

The kitchen would be expanded from 686 square feet to 1,180 square feet and the dining/bar area from 1,981 square feet to 2,300 square feet, said Peter Uchiyama, an architect for the project.

The pro shop would nearly double in size from 1,162 square feet to 2,140 square feet.

The club house is currently 13,100-square-foot and would grow to 25,000 square feet — 12,000 square feet with a 3,200 square foot lanai on the ground floor and 5,800 square feet with a 3,100 square foot lanai on the second floor.

The second floor would consist of two "community rooms." One would be 1,700 square feet with a kitchenette and the other, 3,300 square feet. Two restrooms are planned for the floor as well.

The new facility would be able to accommodate neighborhood events, activities and celebrations. The County Code recently was changed to allow special events, such as receptions at the course, which could allow the county to raise additional revenue.



FIVE MONTHS WITH NO LAVA FROM KILAUEA

One of the most frequently asked questions of USGS Hawaiian Volcano Observatory scientists over the last several months has been, "Is the eruption over?"

The lower East Rift Zone erupted a volume of 1 cubic kilometer of lava and destroyed over 700 structures. Two-thirds of the erupted lava flowed into the ocean through the rapid channeled flow from fissure number 8.

In early August 2018, it was when summit collapses stopped and the volume of LERZ fissure 8 lava diminished. But fissure 8 wasn't finished with its flows. During September 1-4, one more appearance of lava occurred inside the cone before draining away completely.

And currently, marks many months of no surface lava activity at Kilauea. This is a major development since this summer's eruption. The Smithsonian Institution's Global Volcanism Program (GVP) classifies the end of continuous volcanic activity based on an absence of eruptive activity over a three-month period. With this GVP criterion and no signs of imminent unrest on Kilauea, the LERZ eruption could be considered over.

However, magma is still being supplied to Kilauea Volcano and geophysical data continue to show evidence

for movement of molten rock through the magmatic system and the refilling of the middle ERZ. It's important to note that Kilauea is still an active volcano that will erupt in the future.

The GVP three-month period is a global statistical average from all known eruptions. If we look at only Kilauea's past 200 years of activity, this long dormant period still holds true.

But eruptive pauses have occurred in the past so no one is believing future lava flows are over. Breaks between 44 episodes of high lava fountains in 1983-1986 ranged from hours to 65 days long (two months). Six of those pauses were between one- and two-months long.

All other known pauses during Kilauea eruptions have been one month or less before eruptive activity resumed. While the LERZ eruption might be over, Kilauea volcano is very much alive and active. There can, and will, be a new eruption—it's just a matter of when and where.

The USGS Hawaiian Volcano Observatory continues to closely monitor Kilauea Volcano through ground-based observations, helicopter overflights, and geophysical instrument networks.

NEWER DESIGNS OF ARTIFICIAL REEFS MAY GET APPROVED

In the past nonconventional artificial reefs were constructed from old cars and tires, and other materials. They work well to combat coastal erosion impacting condominiums and properties in danger coastal zones like we have on Maui. A company called Oceanit on Oahu, is planning new artificial reefs that interacts with waves before they hit the shoreline and creates an ecosystem for ocean life. The reef would provide a place for coral and fish to propagate. The difference is the reef is made of natural coral rock rubble (like what's on our beach) with a special concrete binder. It mimics natural reef formations and can be used to create an ecosystem while at the same time helping to prevent erosion.

The science of creating an artificial reef that interacts with waves and benefits the environment has greatly improved in the last 20 years,

Keawakapu Beach in our neighborhood is an example of an offshore site where an artificial reef was put in. The artificial reef submerged in 1962, consists of cars, tire modules, concrete slabs and a ship. The last addition to the reef was concrete modules in 2009. We all know how nice this beach area is. Although engineers and scientists can point to the success at Keawakapu, times of

changed and new materials are required for permits to make it through the government process.

According to a University of Hawaii study, Oceanit believes, 80 percent of Maui's beaches are eroding. Especially in the hot spots like Honokowai, Kahana, Napili, Kaanapali and Halama Street in Kihei.

Oceanit is currently working on a plan at Kahului Harbor. The plans called for an artificial reef in a sandy area north of the harbor entrance channel. The idea was to break the waves outside the channel with an application of submerged breakwaters or artificial reefs.

A shallow artificial reef will cause waves to slow down, change wave height and shorten wave length. And depending on the wave-height-to-water-depth ratio, the artificial reef may cause waves to break, which reduces their energy, reducing erosion.

It is also possible to make artificial reefs the change the direction of approaching swells through refraction and diffraction. Waves that hit beaches at an oblique angle tend to transport sand away while getting waves to hit the shoreline parallel has little shoreline drift.

Using tires and cars would not be practical in the harbor because they must be stable against large wave forces, he said. Using concrete and natural materials, such as rock and sand as Oceanit does, would work better for artificial reefs. Specialized mixes of cement/concrete can be used that incorporate natural reef materials, such as limestone and basalt.

Foley said 150 coral babies were observed growing on a "stepping-stone" size piece in just one year. The materials alone, however, will not be enough to create an ecosystem. Water and other environmental conditions must be conducive for growth.

The material that Oceanit plans to use for artificial reefs looks like limestone and has nooks and crannies for fish, from little mahi-mahi to the larger parrot fish, Foley said.

Oceanit has not built any artificial reefs on Maui yet. It can take years with multiple permits required from federal, state and county governments, he said.

The newer designed artificial reefs are typically constructed on land, unlike the older artificial reefs when components were dropped into the water like at Keawakapu Beach.



BIG CONSUMER NEWS FOR MAUI AIRPORT TRANSPORTATION



The state Department of Transportation announced Thursday that ride-sharing companies such as Uber and

Lyft, will now be eligible to legally pick up customers at Kahului and Kapalua airports at designated locations. This will provide needed competition and save owners and guests transportation costs significantly.

Previously, ride-sharing companies only could drop off customers at the two Maui airports.

Uber and Lyft began operating at Daniel K. Inouye International Airport on Oahu on a trial basis Dec. 1, 2017 and is now on a permanent basis.

If you haven't used Lyft or Uber, they are user friendly and offer a seamless transportation opportunity to and from the airports.



ANOTHER RECORD-BREAKING TOURIST YEAR

Hawaii Tourism Authority released data that shows solid gains for Maui.

Maui was 7 percent ahead in visitor arrivals compared to 2017, which was a record-breaking year. The annual record of 2,742,108 visitors by air was broken for a fourth straight year.

The threat of Hurricane Lane, which veered away as it neared the islands, and Tropical Storm Olivia, which blew over the West Maui Mountains and Lanai, got national attention and naturally raised concerns about their impact on tourism on Maui. Tropical storm winds from Lane increased a brush fire Aug. 24 that burned 1,500 acres in West Maui, only a few miles from the Kaanapali Resort.

Heavy rain from Olivia last September caused flooding that washed away homes and flooded and damaged roads and caused power outages.

Maui also is for a seventh consecutive record-breaking year in visitor spending after the first 11 months. Visitor spending was up 10 percent to \$4.6 billion, a mere \$200,000 from 2017's record of \$4.8 billion.

Last November, Maui's visitor spending rose 1.7 percent to \$364.6 million compared to a year ago. Visitor days increased by 5 percent, but daily spending fell 3.1 percent to \$198 per person.

Visitor declines were recorded from Japan, down 1 percent to 4,006, and Canada, down 1 percent to 27,033.

Cruise ship visitors for November were up 6 percent to 19,330, but totals for the first 11 months were down 2 percent to 210,120.



The AOA of Maui Sunset
Profit & Loss Budget Overview
January through December 2019

	<u>Jan - Dec 19</u>
Ordinary Income/Expense	
Income	
4001 · Maintenance Fees	1,671,454.08
4005 · Late Fees	100.00
4101 · Electricity Income	390,000.00
4105 · Electricity Owners	-390,000.00
4305 · Concession Income	76,200.00
4310 · Activities Desk Commission	6,000.00
4320 · Kayak Storage	2,500.00
4330 · Storage Rental	18,500.00
4501 · Interest Income	20.00
4550 · Other Income	1,500.00
	<hr/>
Total Income	1,776,274.08
Gross Profit	1,776,274.08
Expense	
5100 · Payroll and Benefits	536,483.00
6100 · Repairs and Maintenance	267,605.68
7000 · Utilities	372,957.76
7100 · Administration	599,227.64
	<hr/>
Total Expense	1,776,274.08
Net Ordinary Income	0.00
Net Income	<hr/> <hr/> <u>0.00</u>

**The AOA of Maui Sunset
Profit & Loss Budget vs. Actual
For the Year ended December 31, 2018**

	TOTAL					
	Dec 18	Budget	\$ Over Budget	Jan - Dec 18	Budget	\$ Over Budget
Ordinary Income/Expense						
Income						
4001 - Maintenance Fees	131,404.72	131,404.00	0.72	1,576,856.64	1,576,848.00	8.64
4005 - Late Fees	0.00	50.00	-50.00	50.00	800.00	-550.00
4101 - Electricity Income	41,037.45	31,250.00	9,787.45	461,338.69	375,000.00	86,338.69
4105 - Electricity Owners	-45,332.01	-30,083.34	-15,248.67	-456,409.67	-361,000.00	-97,409.67
4305 - Concession Income	6,350.00	6,350.00	0.00	76,200.00	76,200.00	0.00
4310 - Activities Desk Commission	600.00	708.33	-108.33	6,200.00	8,500.00	-2,300.00
4315 - Soda Income	0.00	41.66	-41.66	121.77	500.00	-378.23
4320 - Kayak Storage	100.31	91.67	8.64	1,093.94	1,100.00	-6.06
4325 - Front Desk Internet	0.00	16.67	-16.67	200.00	200.00	0.00
4330 - Storage Rental	1,529.76	1,282.50	247.26	18,024.00	15,390.00	2,634.00
4501 - Interest Income	0.94	1.67	-0.73	11.07	20.00	-8.93
4550 - Other Income	5.00	66.66	-61.66	1,569.70	800.00	769.70
Total Income	135,696.17	141,179.82	-5,483.65	1,663,256.14	1,694,158.00	-10,901.86
Gross Profit	135,696.17	141,179.82	-5,483.65	1,663,256.14	1,694,158.00	-10,901.86
Expense						
5100 - Payroll and Benefits	56,254.51	43,523.75	14,730.76	556,902.04	522,285.00	34,617.04
6100 - Repairs and Maintenance	23,212.02	21,889.09	1,322.93	245,231.38	262,669.00	-17,437.62
7000 - Utilities	31,100.82	30,516.66	584.16	363,756.68	366,200.00	-2,443.32
7100 - Administration	41,184.86	45,250.32	-4,065.46	522,389.97	543,004.00	-20,614.03
7705 - Special Project	0.00	0.00	0.00	16,900.00	0.00	16,900.00
Total Expense	153,752.21	141,179.82	12,572.39	1,705,180.07	1,694,158.00	11,022.07
Net Ordinary Income	-18,056.04	0.00	-18,056.04	-21,923.93	0.00	-21,923.93
Other Income/Expense						
Other Income						
8001 - Reserves-MF Allocation	20,619.00	0.00	20,619.00	247,428.00	0.00	247,428.00
8005 - Reserves-Interest Income	130.36	0.00	130.36	5,496.33	0.00	5,496.33
Total Other Income	20,749.36	0.00	20,749.36	252,924.33	0.00	252,924.33
Other Expense	4,775.70	0.00	4,775.70	499,548.97	0.00	499,548.97
Net Other Income	15,973.66	0.00	15,973.66	-246,624.64	0.00	-246,624.64
Net Income	-2,082.38	0.00	-2,082.38	-268,548.57	0.00	-268,548.57

See Accountant's Compilation Report

THE AOA OF MAUI SUNSET
SCHEDULE OF CAPITAL IMPROVEMENT RESERVE BALANCES
For the Year ended December 31, 2018

Description	Beginning Balance	Increase	Decrease	Net Change	Current Balance
B-408 Renovations	\$ 5,828			-	\$ 5,828
Contingency	12,500		(11,893)	(11,893)	607
Doors	500		(410)	(410)	90
Dry Standpipe valve	8,000			-	8,000
Electrical Panel & Subpanel Asmt	4,000			-	4,000
Elevator Mach Cabinet Upgrade	22,000		(4,004)	(4,004)	17,996
Exercise Bathroom Renovation	5,000			-	5,000
Exercise Room Renovation	2,500			-	2,500
Extinguishers	1,367		(1,163)	(1,163)	204
Fire Hoses	25,000			-	25,000
Fire Panel	5,000			-	5,000
Gas Line Repairs	1,500			-	1,500
Furniture - Pool chaise lounges	24,000			-	24,000
Furniture - Pool tables/chairs	10,000			-	10,000
Hot Tub Retile	2,000			-	2,000
Irrigation Pump	3,000			-	3,000
Maui Sunset Signs	6,000			-	6,000
Office Renovation	6,000			-	6,000
Palm Tree Replacement	1,000			-	1,000
Parking	110,072		(1,655)	(1,655)	108,417
Parking Lights	2,000			-	2,000
Pickup Truck	4,000			-	4,000
Pool Fence Gates and Locks	3,000			-	3,000
Pool Heater	4,000			-	4,000
Pool Retile	30,000			-	30,000
Pool Waterline/Copping tile	4,000			-	4,000
Pull Station and bells	3,415			-	3,415
Roofing	127,250			-	127,250
Sauna Renovation	4,000			-	4,000
Sewer Plumbing	2,833		(4,824)	(4,824)	(1,991)
Sewer Stack and lateral repairs	30,684		(1,312)	(1,312)	29,372
Slurry Seal	44,605			-	44,605
Spa Heater	5,300			-	5,300
Spall Repairs - Railing, walkways	520,538	10,423	(479,837)	(469,414)	51,124
Stripping and curb Painting	9,704			-	9,704
Tile Flooring - elevator lobby areas	2,196			-	2,196
Trash Compactor system and bin	4,977			-	4,977
Tree Trimming and Cutting	5,000		(4,875)	(4,875)	125
Waterproof building ends	22,000			-	22,000
Interest Income	3,186	5,497		5,497	8,683
Additions to Reserve	-	247,428		247,428	247,428
TOTAL CAPITAL IMPROVEMENT RES.	\$ 1,087,955	\$ 263,347	\$ (509,972)	\$ (246,625)	\$ 841,330

See Accountant's Compilation Report.

FUTURE MEETING SCHEDULE

MAUI SUNSET MASTER ASSOCIATION:

MEETINGS WILL BE HELD AT ST. THERESA - 25 W. LIPOA ST, KIHAI, HI 96753

Second Quarter Meeting	May 3, 2019	8:30 AM
Third Quarter Meeting	August 16, 2019	8:30 AM
Fourth Quarter Meeting	November 8, 2019	8:30 AM

All owners are welcome to any meeting.

Aloha,



Ed Meyer
Director and Communication Committee Chairperson

Lindsay Meyer - Publisher



POSITION	NAME/ADDRESS	PHONE/FAX	TERM ENDS	COMMITTEE ASSIGNMENTS
President and Treasurer	Sandra Hooper (Joe) 27678 Avenida Maravina Cathedral City, CA 92234	Cell: 401-500-2183 sandra.hooper2012@gmail.com	2021	
Vice-President	David Courson (Robin) 1032 S. Kihei Rd B505 Kihei, HI 96753	Res: 808-879-8872 Cell: 808-298-7145 coursonmaui@msn.com	2021	Chair - Internal & Public Relations Human Resources Amenities
Secretary	Jack Wetherall, J.D. (Linda) 1485 Majestic View Drive McCall, ID 83638-0263	Res: 208-634-1342 jwetherall@gmail.com	2022	Chair - Timeshare Liaison Rules & Regulations
Director	Scott Graves, Ph.D. (Janet) 1032 S. Kihei Rd A317 Kihei, HI 96753	Cell: 425-344-2398 scttgraves@gmail.com	2021	Chair - Grounds Security
Director	Dr. Harry Hecht (Karen) 1032 S. Kihei Rd B116 Kihei, HI 96753	Res: 808-264-9294 Cell: 510-376-4230 hechtkh@gmail.com	2022	Co-Chair - Building Committee
Director	Ed Meyer (Lorrie) 26861 N. 104th Pl Scottsdale, AZ 85262	Cell: 206-499-5403 ed@mauisunset.com	2020	Chair – Communications Committee Newsletter Beach Committee Member: Harry Hecht Webmaster and Co-Chair Communications: Steve Meyer
Director	Leagh Randle (Vicki) 2670 Blokker Rd Nanoose Bay, BC, Canada V9P 9E8	Cell: 780-446-1080 leaghrandle@gmail.com	2020	Co-Chair - Building Committee Chair - Insurance
General Manager	Kari Davis 1032 S. Kihei Rd Kihei, HI 96753	Office: 808-879-0674 Cell: 808-264-4088 Fax: 808-879-0676 gmmauisunset1032@gmail.com		General Manager
Front Desk	Summer Jago, Office Manager Makayla Jago Lore Morris	Office: 808-879-0674 Fax: 808-879-0676		Office Hours: Mon-Fri: 8am - 9pm Sat 9am - 6pm Sun 9am - 5 pm
Night Watchman	Christ Hoerner Larry Conlu	Cell: 808-298-9291		Hours: 6pm - 4am



Maui Sunset
1032 S. Kihei Rd
Kihei, HI 96753