



*H.O.V.E. RMC Board Meeting Minutes
January 12th, 2011*

I. QUORUM: Yes

President: Laura Foster
2VP: Bill Vinson
Secretary: Mike Million
Director: Jim O'Hara
Director: Bruce Petrovic

VP: Mike Finn
Treasurer: Bob Armstrong
Director: Mary Kastle
Director: Jim Steenburg

II. CALL TO ORDER: 4:00 P.M. by President, Laura Foster

III. ADOPTION OF AGENDA: Adopted as written.

IV. APPROVAL OF MINUTES

- a. **December 8th, 2010- Board Meeting** – There was an error with the date at the end of the minutes, error was corrected.
- b. **December 8th, 2010- Executive Session-** With the advice from our lawyer, we composed and mailed a letter, which stated that the HOVE Road Maintenance Corporation is not involved and will not be involved with the OVCDC. Letter was mailed to the OVCDC, Chamber of Commerce and the Air National Guard.

V. REPORTS

- a. **President's report:** On December 13, 2010, the 50 boxes that were sitting in our office for so long, containing information 10 years or older, were picked up for shredding. Nothing has been shredded that will be needed for any of the current or upcoming audits.

The folding machine, approved for the office by the board, arrived on December 28th. The office staff was able to use it for the 2011 billing, and at this time all the 2011 statements are in the mail. The folding machine was a big help and saved the office staff roughly 2 weeks of work time.

For the last few months, Mike Million has been working closely with the DCCA in getting the newly amended Articles and Bylaws filed. Some of the previous revisions and changes were either not recorded or recorded incorrectly. Mike has put many hours into this project and is currently waiting to hear from the DCCA.

Our lawyer has suggested that we go back to having committee meetings, which will be held by board members. Committee members will be selected by the chair of the committee and only those selected members will be able to vote. All votes will be taken to the board for determination. Sign up sheets and information will be available at the office. We encourage members to join. On Thursday, January 13th, there will be a financial meeting held in the office at 1:00pm chaired by Bob Armstrong.

- b. Treasurer’s report:** Operating cash available is \$337,845.00. Investment fund is \$1,081,287.00. Last months income is \$25,125.00. Year to date taken in is \$1,037,711.00, spent is \$713,534.00. Report is on file at the office.
- c. Secretary’s report:** For the last month Mike Million has been researching every piece of writing since 1991 in regards to the Pettingill Articles of Incorporation and the By Laws. There will be a book available at the office, not to leave the office, with all of the changes ever made to these documents.
- e. Office report:** The office has received and used the new folding machine. As of today all 2011 statements are in the mail. The office staff had help from their temp-worker, Jeffrey. A total of \$951,480.00 was billed out in assessments. We are currently talking to an attorney about the foreclosures. Drew has a good plan laid out and we will see what the attorney recommends.
- d. Road report:** Once again, because of the increase in rain, more mowing and weed whacking is needed. We have seen an increase in potholes and the need to blow and sweep the roads, also due to the increase in rain fall. We have an ongoing problem with signs being stolen, vandalized, run over or just old. We completed the chip sealing, fog sealing, painting, striping, safety markers and reflectors in the upper Reef Circle area. Members are continuing to question when they will be able to purchase cinder/ mulch loading tickets and drop-off green waste. Due to the size of the crew and the time involved we will no longer accept green waste drop-off.

VI. UNFINISHED BUSINESS

- a.** Jeffrey will now be our temp/ part-time help in the office. He is currently helping with the 2011 payments and will be available for filling in when Kristyn or Madison are out sick or on vacation.

VII. NEW BUSINESS

- a. General Discussion**

VIII. ADJOURNMENT

4:27P.M. by President, Laura Foster.

The next monthly Board meeting will be Wednesday, February 9th, 2011 at St. Jude’s Church at 4:00 p.m.

Minutes submitted by: _____ Kristyn Haina

Approved by: _____ Secretary

Date: _____



*H.O.V.E. RMC Board Meeting Minutes
February 9th, 2011*

I. QUORUM: Yes

President: Laura Foster
2VP: Bill Vinson
Secretary: Mike Million
Director: Jim O'Hara
Director: Bruce Petrovic

VP: Mike Finn
Treasurer: Bob Armstrong
Director: Mary Kastle
Director: Jim Steenburg

II. CALL TO ORDER: 4:00 P.M. by President, Laura Foster

III. ADOPTION OF AGENDA: Adopted as written.

IV. APPROVAL OF MINUTES

- a. **January 12th, 2011-** Adopted as written.
- b. **January 23rd, 2011 (*Executive Session*)** - Discussed holding a Special Meeting on July 2nd, 2011.

V. REPORTS

- a. **President's report:** The OVDCD responded to our letter, by a representative that they are not in anyway claiming to be a part of the HOVERMC.
The amendment to the Articles of Incorporation has been approved, filed and returned from the State of Hawaii DCCA office.
- b. **Treasurer's report:** Operating cash available is \$469,931.21. Investment fund is \$1,084,967.72. Last months income was \$211,017.52. Year to date taken in is \$211,017.52 and spent is \$79,902.07. Report is on file at the office. A proposed 2012 budget was distributed and considerable discussion regarding the assessment ensued.
- c. **Secretary's report:** As previously stated in the President's report, the amendment to the Articles of Incorporation has been approved, filed and returned from the State of Hawaii DCCA office.
- e. **Office report:** The office staff has been quite busy with the incoming payments, correspondence and phone calls from our members. There were 18 ownership changes made and 105 liens placed so far. The office staff will be placing more liens on delinquent accounts soon. Audits are close to being completed for 2004 and we hope 2005 and 2006 will go smoother.
- d. **Road report:** Work is progressing on Princess Kaiulani. The road is being widened and the crew is doing a great job. We hope to begin oiling PK by the end of the month. We need to schedule some time with Rudy to discuss equipment repairs and obsolete equipment.

VI. UNFINISHED BUSINESS

- a. **Office Building update:** Initial estimates indicate a cost to contract the building construction of about \$75,000. At this point we have one bid for the framing and concrete (does not include materials) for \$17,900.00. We need to have a total cost and a time frame for completion of the project. The matter of the “unusable” equipment building was discussed. Bruce Petrovic will look into options to get the building enclosed and usable.
MOTION: We are going to get the electrical and mechanical stamps, start the permit process and hold off on anything further until the firm prices are in.
Motion made by Mike Million. Vote passed unanimously.
- b. **Foreclosures:** We have been told by a 5th attorney that we can not do a non-judicial foreclosures. It does take an attorney to handle foreclosures on properties, it is an average of \$10,000.00 per foreclosure. Another option to look into would be small claims court. A breakdown of properties will be supplied to the Board for evaluation in executive session.

VII. NEW BUSINESS

- a. **National Park Service:** The NPS wants to keep lot owners out of the park, but yet use our roadways. A new agreement should be drawn up. There are other people that we have signed agreements with in the past that have allowed access thru Ocean View. We also need to address these issues in a fair manner.
MOTION: In the matter of Agreement fro Right of Entry and Road Use between Hawaii Volcanoes National Park and Hawaiian Ocean View Estates (H.O.V.E.), a copy of which is included, the Board of Directors elects to exercise Article VI: Termination, whereas, this Agreement may be terminated by either party after providing the other party with thirty (30) days of certified receipt of written notice of termination. Therefore thirty (30) days after certified receipt of this Notice of Termination, the previous agreement shall become null and void.
Motion made by Mike Million. Vote passed unanimously.
- b. **Committee Meetings:** Restructuring of Board committee’s. In order to comply with HRS 414D-148; Committee’s of the Board, we need two or more directors assigned to each committee. This stretches the board to thin so the proposal is made to reduce the number of committees for the current 8 down to 2; Operational committee and Administrative committee. Contract talks with the Operating Engineers begin in May.
MOTION: To terminate the 8 board committees and form 2 board committees.
1) Administrative Committee. 2) Operational Committee.
Motion made by Bob Armstrong. Vote passed unanimously.
- c. **Heavy Trucks (fees):** The basic concept is to have these truckers pay for some of the costs for the damage they do to our roads. Jim O’Hara will be the committee head for the heavy truck problem.



VIII. ADJOURNMENT

5:26 P.M. by President, Laura Foster.

The next monthly Board meeting will be Wednesday, March 9th, 2011 at St. Jude's Church at 4:00 p.m.

Minutes submitted by: _____ Kristyn Haina

Approved by: _____ Secretary

Date: 02-28-2011



***H.O.V.E. RMC Board Meeting Minutes
March 9th, 2011***

I. QUORUM: Yes

President: Laura Foster
2VP: Bill Vinson
Secretary: Mike Million
Director: Jim O'Hara
Director: Bruce Petrovic

VP: Mike Finn
Treasurer: Bob Armstrong
Director: Mary Kastle
Director: Jim Steenburg
All Present

II. CALL TO ORDER: 4:05 P.M. by President, Laura Foster

III. ADOPTION OF AGENDA: Adopted as written.

IV. APPROVAL OF MINUTES

- a. **February 9th, 2011-** Adopted as written.

V. REPORTS

- a. **President's report:** Rob Tucker, the representative from friends of Puna reports that the Fuel Tax revenue bill is moving to the senate and would like to thank everyone for their support. Rita from the National Park Service has received our notice in regards to terminating the agreement between HOVERMC and NPS. She claims they will not be using our road system right now. She will be speaking with her boss and maybe both sides can come to a mutual agreement. I spoke to the county engineer in charge of the water well, in regards to the bad condition of our roads, Keaka and Paradise Circle. She sent someone out to fill the potholes; however the remainder of the work will not get completed until September or October when the work on the well is completed.
- b. **Treasurer's report:** Operating cash available is \$574,535.11. Investment fund is \$1,109,218.81. Last months income was \$155,054.62. Year to date taken in is \$366,098.34 and spent is \$128,739.13. Report is on file at the office. We have also transferred \$200,000.00 from the Bank of Hawaii into the Merrill Lynch Operating account. Mike F. brought up the subject of replacing some trucks and asked to have monies available in the 2012 budget. Bob has gone to Carr & Gouveia to get a proposal for a better operating system for the office, which would include the operating software, software instructions and any operating procedures for the new system.
- c. **Secretary's report:** The National Park Service was in receipt of our letter on the 14th of February, therefore the 30 days notice we gave them is in effect on March 14th. Reminder, on Sunday, March 13th at 1:00 pm, there will be a meeting held at the office for any board members interested in talking about the upcoming union contract. Tuesday May 3rd will be the first meeting with the union to discuss the new contract. The follow-up meeting will be held on June 7th.
- e. **Office report:** The ladies in the office are doing what they do, things are running smoothly. A few liens are still being worked on. Our account specialist has provided the board with a list of liened accounts that are subject to foreclosure. This subject will be discussed further in executive session, due to the privacy of the lot owners and specifics about lawyers.

MOTION: Have Drew go forward with the possibility of taking some of the lot owners that already have been foreclosed on to small claims court or other court to recoup losses and have Drew investigate small claims court as potential action for liened accounts in lieu to foreclosure. Motion made by Laura Foster. Vote passed unanimously.

- d. **Road report:** By the end of this month Princess Kaiulani prep work should be complete, by the first part of April they will be oiling and chip spreading. The crew is out there getting things done and getting a lot of positive feedback. We still do not have enough interest in cinder loading to start up with it at this time.

VI. UNFINISHED BUSINESS

- a. **Foreclosure attorney:** Moved to executive session.
- b. **Office Building:** We have received 3 bids for the construction of the new office building. The first bid is a “Do-it-all” for \$106,000.00 plus tax. The 2nd bid totals out to \$45,700.00. This bid includes framing (\$27,700.00), hanging drywall (\$9,000.00), and prepping/ priming/ painting (\$9,000.00). The 3rd bid was for \$115,000.00, excluding the septic tank. We already have the permit for a 1200 gallon septic system, but the tank size could be easily reduced to 800 gallons to save money. The bid for the painting seems high and could probably be done in-house and/or with volunteers for about \$1,500.00. The grading work will also be done in-house. The files have been submitted and we should have our stamps by next week. Mike F. was asked by other board members to have a spread sheet prepared, with a breakdown of all the work being done and the costs.
- c. **Retention Records:** We now have an official retention schedule on file at the office to give us a guideline on how long to keep files.
- d. **Investment fund:** We are currently in discussion with the auditors about taking the investment fund and creating 2 investment accounts. One account will have \$470,000.00 in perpetual funds, which can’t be touched. The second account would be a capital account. Our goal is to be operating on funds from one year in advance.
- e. **Equipment Building:** Rudy indicated he would like a man door, single end rollup door. If both ends get blocked off the inside of the building will become very dark.

VII. NEW BUSINESS

- a. **Road Control Committee Report:** The goal is to gather information regarding problems post, past, present and future that are detrimental to the HOVE Road system. Jim O. got a hold of the BOC in regards to lot 50, owned by Piikoi Kawanakakoa and got a copy of the deed. There is a part in the deed that states “He (Piikoi) has no right of way to any public roads”. There is still a lot to discuss in this matter and the matters of Commercial Properties, Commercial Trucking and parking on the road ways.

VIII. ADJOURNMENT

5:17 P.M. by President, Laura Foster.

The next monthly Board meeting will be Wednesday, April 13th, 2011 at St. Jude’s Church at 4:00 p.m.

Minutes submitted by: _____ Kristyn Haina

Approved by: _____ Secretary

Date: 03/29/2011



***H.O.V.E. RMC Board Meeting Minutes
April 13, 2011***

I. QUORUM: Yes

+ **President:** Laura Foster
- *2nd VP:* Bill Vinson
+ **Secretary:** Mike Million
+ **Director:** Jim O'Hara

+ **VP:** Mike Finn
+ **Treasurer:** Bob Armstrong
- *Director:* Bruce Petrovic
+ **Director:** Jim Steenburg

(+ = Present / - = Absent)

II. CALL TO ORDER: 4:00 P.M. by President, Laura Foster

III. ADOPTION OF AGENDA: Adopted as written.

IV. APPROVAL OF MINUTES

- a. **March 9th, 2011** (*Board Meeting*) - Adopted as written.
- b. **March 9th, 2011** (*Executive Session*) - The board spoke about finding a new foreclosure attorney.

V. REPORTS

- a. **President's report:** The 2004 audit is now finished and the 2005 audit is 98% complete. We have sold three of our six listed foreclosure properties. We have received the money from the sale of the two properties we had listed with South Hawaii Realty. The third property is in escrow now and should be changing ownership in the next couple of weeks. We still have three other foreclosure properties listed with the Land Office, all of which have not been sold yet. We have reduced the price of each property in hopes that they will sell soon.
- b. **Treasurer's report:** Operating cash available is \$901,088.96. Investment fund is \$1,114,426.32. Last month's income was \$374,405.45. Year-to-date collected is approximately \$740,000.00 and year-to-date spent is \$188,091.36. Report is on file at the office.
MOTION: Approve 2012 budget of \$940,000.00, excluding capital expenditures.
Motion made by Mike Million. Vote passed unanimously.
- c. **Secretary's report:** Did some research on future mass emailing options. Spoke with Constant Contact, which deals with email marketing. They charge \$420 a year for their services and an additional \$10 per month for a survey option. Also contacted GoDaddy. They charge \$129 per year for their services including online surveys.
- e. **Office report:** Office received \$28,913.18 in surplus funds back from the County of Hawaii auction. All the past due notices have been sent out as of today's date. Approximately \$35,000.00 in past due collections were collected last month.
- d. **Road report:** The crew is currently resurfacing Princess Kaiulani. They should be fog-sealing it by next week or the week after, which will be followed by striping. Once Princess Kaiulani is finished, the VP and Road Manager will have a discussion about the future road plan. There have been many inquiries regarding driveway aprons. The board discussed if we could afford to put them in anymore for members and possibly charging a special assessment to do them in the future. There are several potholes forming on Keaka between Paradise Circle Makai and Lehua. Bolton was contracted by the

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County to put in water pipes and to make sure the roadway would be accessible to all the members of HOVE. Someone will be calling Bolton or the County about repairing the potholes. There was an incident with our mower and a passing vehicle on April 5th. The mower hit a rock that flew and struck the driver’s side-mirror. The parts have been ordered and the mirror will be repaired soon.

VI. UNFINISHED BUSINESS

- a. **2012 Budget Approval:** Motion made and passed during the Treasurer’s Report.
- b. **Office Building:** Wally’s, the mechanical engineer, plans have been signed and he has the stamped copy. Art Russell, the electrical engineer, will have his plans signed and stamped by the end of the week and sent off to Wally. Wally will then take everything over to the County for permit processing. We should be receiving another bid soon. We will make our decision on who will be working on the office once we received all bids. There was a discussion about the size of the septic tank for the office building. Question is should we keep our plan for a 1,200 gallon septic tank or speak to Peter Dahlberg about redoing the septic tank plan to include a smaller tank.
- c. **Road Control Committee:** The committee is producing a letter to send to owners of heavy equipment that are damaging our roads. Committee is also discussing how to control this in the future.
- d. **July Meeting:** Discussion on whether or not the board should hold a special meeting in July. There may not be enough info to put together a newsletter for the July meeting. We may need to combine all the info into our Fall newsletter for the October meeting.
MOTION: Cancel the Special Membership meeting that would be held on July 2nd.
 Motion made by Jim Steenburg. Vote passed unanimously.

VII. GENERAL DISCUSSION

- a. Mike Dubois spoke about cleaning up illegal dump sites.

VIII. ADJOURNMENT

5:07 P.M. by President, Laura Foster.
The next monthly Board meeting will be Wednesday, May 11th, 2011 at St. Jude’s Church at 4:00 p.m.

Minutes submitted by: _____ Madison Kaupu

Approved by: _____ Secretary

Date: 05/02/2011



***H.O.V.E. RMC Board Meeting Minutes
May 11, 2011***

I. QUORUM: Yes

+ **President:** Laura Foster
+ **2nd VP:** Bill Vinson
+ **Secretary:** Mike Million
+ **Director:** Jim O'Hara

+ **VP:** Mike Finn
+ **Treasurer:** Bob Armstrong
+ **Director:** Bruce Petrovic
+ **Director:** Jim Steenburg

(+ = Present / - = Absent)

II. CALL TO ORDER: 4:06 P.M. by President, Laura Foster

III. ADOPTION OF AGENDA: Adopted as written.

IV. APPROVAL OF MINUTES

- a. **April 13th, 2011** (*Board Meeting*) - Adopted as written.

V. REPORTS

- a. **President's report:** On April 13th a letter of resignation for board member Mary Kastle was received via personal email to all board members. A special meeting was called on the 13th to address that resignation. A motion was made to accept the resignation of Ms. Kastle, which was passed unanimously and effective immediately. HOVE Road Maintenance has begun contract negotiations with the Local 3 union. There will be several meetings held over the next few months pertaining to the contract negotiations.
- b. **Treasurer's report:** Operating cash available is \$826,980.38. Investment fund is \$1,135,652.65. Last month's income was \$75,008.08. Year-to-date collected is approximately \$815,000.00 and year-to-date spent is \$333,023.39. Report is on file at the office.
- c. **Office report:** The office has been assisting the auditors to try to get all of the yearly audits up to date.
- d. **Road report:** Due to the recent rains the crew has been doing a lot of mowing and clean-up of driveways and other run-offs. PK has been fogsealed from King Kamehameha to Bamboo. They should be finished with PK by the end of the month.

VI. UNFINISHED BUSINESS

- a. **Equipment Building End Panels:** Bruce Petrovic has been researching the cost of installing a commercial roll-up door on the equipment building. There are two types of roll-up doors we can use, sheet or slat. Bruce recommends a slat door. He has received two bids for installing a 16 foot wide by 12 foot high slat door. One was from Tradewind Hawaii at \$4600 installed. The other was from Garage Door Service in Captain Cook in the amount of \$8500 installed. Bruce also mentioned that framing, including materials and labor, will be another separate issue. Jim O'Hara suggested that we send out requests for bids on this job and make a motion on it next month.
- b. **Office Building:** Receiving the last of the bids from contractors. The electrical and mechanical stamps are finished. We will have our contractor (whoever is chosen) submit the stamps. Need to also

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so that one day we will be able to send mass mailings to all of our members.

- c. **Email Marketing Program:** The office is continuously collecting email addresses for each account so that one day we will be able to send mass mailings to all of our members.

MOTION: Bring in Jeffrey temporarily to enter all of the email addresses from the contact slips collected from members into MAS90. He is not to exceed working more than 20 hours a week. Motion made by Mike Finn. Vote passed unanimously.

VII. NEW BUSINESS

- a. **Road Plan 2012:** The budget for 2012 has allocated \$300,000 for road building material. We are proposing that we can resurface the entire length of Tike Lane (from Highway 11 to Sea View, which is approximately 5 miles) for the price of \$55,000 per mile or \$275,000 total. This will also include the normal upkeep of our roads (i.e. painting, signage, pothole repair, etc.)

MOTION: Accept the 2012 Road Plan. Motion made by Jim O’Hara. Vote passed unanimously.

- b. **Yellow Parking Blocks/Removal:** The parking blocks that were installed years ago obstruct both personal property and the right-of-way and should be removed.

MOTION: All of the yellow parking blocks are to be removed and disposed of in a manner that is most advantageous to the corporation. Motion made by Bob Armstrong. Vote passed unanimously.

VIII. GENERAL DISCUSSION

- a. Laura discussed that the board should keep in mind that we need to get away from any special interests, such as cinder loading, green waste drop-off, etc. We should be focusing solely on the maintenance of our roadways.
- b. Mike Last, an electrical engineer who specializes in utility rate structures, offered to volunteer his time and knowledge to us for future use.

IX. ADJOURNMENT

4:58 P.M. by President, Laura Foster.

The next monthly Board meeting will be Wednesday, June 8th, 2011 at St. Jude’s Church at 4:00 p.m.

Minutes submitted by: Madison Kaupu

Approved by: Mike Million, Secretary

Date: 05/25/2011



***H.O.V.E. RMC Board Meeting Minutes
June 08, 2011***

I. QUORUM: Yes

+ **President: Laura Foster**
- *2nd VP: Bill Vinson (Excused)*
+ **Secretary: Mike Million**
+ **Director: Jim O'Hara**

+ **VP: Mike Finn**
+ **Treasurer: Bob Armstrong**
+ **Director: Bruce Petrovic**
+ **Director: Jim Steenburg**

(+ = Present / - = Absent)

II. CALL TO ORDER: 4:01 P.M. by President, Laura Foster

III. ADOPTION OF AGENDA: Adopted as written.

IV. APPROVAL OF MINUTES

- a. **May 11th, 2011 (Board Meeting)** - Adopted as written.

V. REPORTS

- a. **President's report:** President mentioned that the board will be holding a private meeting after each monthly board meeting to discuss the future Operating Engineers Local 3 Union contract negotiations. She made it clear that the meetings are not executive sessions, but private because it deals with the employees of the corporation.
- b. **Treasurer's report:** Operating cash available is \$799,456.00. Investment fund is \$1,118,432.00. Last month's income was \$79,717.95. Year-to-date collected is approximately \$898,000.00 and year-to-date spent is \$433,629.07. Report is on file at the office. The treasurer also mentioned that he spoke to our auditors and our 2005 audit should be finished soon.
- c. **Office report:** The office is still assisting the auditors with any information they may need and will be prepping for the future audits. The office will also be placing more liens soon. If a member has not attempted to make a payment on their delinquent account, a lien and release fee of \$235.00 is added to their account balance. In the meantime, the lien paperwork is drawn up and sent to the Bureau of Conveyances for recordation. There was an error in the total paid out figure on the office report. The office staff made note of it and will correct it.
- d. **Road report:** Due to the recent rains the crew has been continuously working on mowing, weed control, and sweeping. There were several reports of potholes and signage repairs this month, which were dealt with soon after being brought to the crew's attention. The final phase of Princess Kaiulani has been finished. Five of the six blocks of Princess Kaiulani have painted striping, road markers and delineators in place. The estimated cost to widen, resurface, fogseal, paint and put down road markers for the six blocks of Princess Kaiulani was \$234,000.00. The board will need to examine ways to bring down these costs.

VI. UNFINISHED BUSINESS

- a. **Office Building:** The board chose three out of the six contractors that submitted bids to interview, which were Detwiler Construction, Kaupiko Construction & Glen Kelsey. After speaking with each

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contractor, the board of directors chose Detwiler Construction. Detwiler estimated a time period of three to four months after receiving permits for completion. The board members will be meeting with the contractor on Friday June 10th, 2011 at the site to discuss the plans for construction.

- b. Equipment Building End Walls:** Bruce said he will be writing up a scope of work for this job, discuss it with Mike Finn and then solicit bids from at least four contractors. He will have more information to present at the next board meeting.

VII. NEW BUSINESS

- a. October Newsletter-** A rough draft of the October newsletter has been drawn up and passed out to the board of directors to work on. The board will be meeting on Sunday, June 19th, 2011 to clean up the draft and prepare everything for the printer.
- b. Foreclosures-** The corporation currently does not have any properties up for foreclosure. Board members are talking with an attorney about handling any future foreclosures and a set price that he would charge to process them.

VIII. GENERAL DISCUSSION

IX. ADJOURNMENT

4:29 P.M. by President, Laura Foster.

The next monthly Board meeting will be held on Wednesday, July 13th, 2011 at St. Jude's Church at 4:00 p.m.

Minutes submitted by: *Madison Kaupu*

Approved by: *Mike Million*, Secretary

Date: 06/13/2011



***H.O.V.E. RMC Board Meeting Minutes
July 13, 2011***

I. QUORUM: Yes

- *President: Laura Foster (Excused)*
+ **2nd VP: Bill Vinson**
+ **Secretary: Mike Million**
+ **Director: Jim O'Hara**

- *VP: Mike Finn (Excused)*
- *Treasurer: Bob Armstrong (Excused)*
+ **Director: Bruce Petrovic**
+ **Director: Jim Steenburg**
(+ = Present / - = Absent)

II. CALL TO ORDER: 4:03 P.M. by 2nd Vice-President, Bill Vinson

III. ADOPTION OF AGENDA: Adopted as written.

IV. APPROVAL OF MINUTES

a. **June 8th, 2011 (Board Meeting)** - Adopted as written.

V. REPORTS

- a. **President's report:** 2nd Vice - President had no report.
- b. **Treasurer's report:** Operating cash available is \$805,987.00. Investment fund is \$1,105,040.00. Last month's income was \$37,177.00. Year-to-date collected is approximately \$ 902,889.00. And year-to-date spent is \$470,247.00. Report is on file at the office.
- c. **Secretary's report:** On June 27th there was formal meeting at noon for the formatting of the newsletter that was put together by Jim O'Hara. A motion was made and approved to send the 2011 newsletter to the printer. The annual membership meeting will be held Saturday October 8, 2011 from 9:00am to 12:00pm at the OVCA. The record date for that meeting will be August 10th, the day that the membership list will be pulled. The mailing deadline date for the newsletter is August 15th, 2011.
- d. **Office report:** Office staff has been busy doing their daily duties. Madison was on vacation and Jeffrey stepped in to assist in her absence. There was an error in the office report, it has been corrected and revised as of July 20, 2011.
- e. **Road report:** Is written and on file at the office.

VI. UNFINISHED BUSINESS

- a. **Equipment Building End Walls:** Bruce had no update; however he will present bids, options, etc at the next board meeting.

VII. NEW BUSINESS

a. Approval of Administrative fee to cover collection costs

MOTION: We implement a repetitive/reoccurring statement fee of \$2.50 per mailing invoice to cover the additional costs for a trial period of 90 days, after which time the program will be re-evaluated for effectiveness. Motion made by Mike M. Vote passed unanimously.

b. Truck Route

MOTION: Remove the truck route designation for Tradewinds Blvd. between Kailua Blvd. and the top end of the roadway at the HOVE property line. Motion made by Jim O'Hara. Vote passed unanimously.

c. Offer to Purchase old distributor truck & old chip spreader

We need to get a second value evaluation on the old distributor truck and old chip spreader to determine there sale value, before selling.

VIII. GENERAL DISCUSSION

- a. A delinquent lot owner who owes HOVERMC back road fees has offered to quit claim deed over to HOVERMC in place of foreclosure. He claims if we do not take this offer he will not pay us. A foreclosure would cost more in the end. There are also back taxes owed which HOVERMC would be responsible for.**

MOTION: We accept the quit claim deed, accept the property from the owner and within 10 days after acceptance that we pay the County property taxes. Motion made by Jim O'Hara. Vote passed unanimously.

IX. ADJOURNMENT

4:40 P.M. by 2nd Vice-President, Bill Vinson.

The next monthly Board meeting will be held on Wednesday, August 10th, 2011 at St. Jude's Church at 4:00 p.m.

Minutes submitted by: Kristyn Haina

Approved by: Michael Million, Secretary

Date: 07/25/11



*H.O.V.E. RMC Board Meeting Minutes
August 10th, 2011*

I. QUORUM: Yes

+ **President:** Laura Foster
+ **2nd VP:** Bill Vinson
+ **Secretary:** Mike Million
+ **Director:** Jim O'Hara

- **VP:** Mike Finn (*Excused*)
+ **Treasurer:** Bob Armstrong
+ **Director:** Bruce Petrovic
- **Director:** Jim Steenburg (*Excused*)

(+ = **Present** / - = *Absent*)

II. CALL TO ORDER: 4:05 P.M. by President, Laura Foster.

III. ADOPTION OF AGENDA: An addition was made to Unfinished Business, which was *New Office Building*.

IV. APPROVAL OF MINUTES

- a. **July 13th, 2011** (*Board Meeting*) - Adopted as written.

V. REPORTS

- a. **President's report:** Topics from the President's report were covered during various points of the meeting.
- b. **Treasurer's report:** Operating cash available is \$785,172.25. Investment fund is \$1,107,524.98. Last month's income was \$20,201.30. Year-to-date collected is approximately \$ 923,000 and year-to-date spent is \$512,441.22. Report is on file at the office.
- c. **Secretary's report:** The prep work for the newsletter mailing is finished. They have all been addressed and sealed. Postage will be applied to each and will be ready for delivery to our local post office on Friday, August 12, 2011.
- d. **Office report:** President Laura mentioned that the office staff has been very busy with lien processing, assisting our auditors with the audits, and prepping our annual newsletter this month. Our auditors have been examining three issues of concern in the 2005 audit. The issues were:
- 1) Overpayment of vacation and sick pay to employees over an extended period of time.
 - 2) Comp time use in past years.
 - 3) A requirement of filing excise tax statements that was not being done.

All of these issues have been corrected. Jeffrey Ha'alilio was a huge help in getting the newsletters ready for mailing. Our Special Accounts Services representative has been busy with letter writing and sending statements this past month. So far this year, he has brought in \$240,000 in past due assessments. Foreclosures are being looked into again. Need to speak with the lawyer about how much it would cost to process a foreclosure on five selected delinquent properties.

MOTION: Talk to the lawyer and give the information in the five selected files and obtain a price for this service. Motion made by Bob Armstrong, 2nd by Mike Million. Vote passed unanimously.

- e. **Road report:** There were several issues to address during the reading of the road report. Cinder loading has been brought up several times over the past months. There will be *no* cinder loading through this corporation at any time. All inquiries about purchasing cinder have been and will be directed to the local cinder hauling companies. Driveway aprons are a similar issue. If our crew is fixing a road and it's apparent that a driveway apron is needed then it will be put in. In any other circumstance the property owner should contact a private business that does driveways. Another issue that was brought up is the road crew having to use their personal equipment on the roads. If the crew needs equipment repaired or needs new equipment they should submit a purchase order, which will be reviewed and decided on by the board. Also, Mike Dubois and his group were apart of a large effort to help cleanup several illegal dump sites in Ocean View. Unfortunately, the machine that was being used to assist in the cleanup did some damage to our roadway at Sea Breeze and Paradise. The crew has since repaired the damage and the board will be contacting Mr. Dubois about the issue. Secretary Mike Million also brought up the servicing of the vehicles/equipment. He and the rest of the board would like to know what vehicles/equipment will be serviced, when was the last service and how long since the crew last used the vehicle/equipment.

VI. UNFINISHED BUSINESS

- a. **Endless Building:** The original discussion of this project comprised of installing simple 2x6 walls in the building and using volunteer labor to install them. After further review of the situation and the structure of the building, board member Bruce Petrovic has decided that the use of steel purlins would be best for the building. He suggests that the mauka side of the building be done in steel purlins and use the combination of wood and steel purlins on the makai side. He will be getting price quotes for the purlins and the cost of labor.

- b. **Newsletter:** Topic was brought up during the Secretary's report.

MOTION: Send the annual meeting newsletters effective Friday, August 12th, 2011. Motion made by Mike Million, 2nd by Jim O'Hara. Vote passed unanimously.

- c. **Email System:** HOVERMC received a note from the corporate attorney that our newly-elected governor has passed a law (414D, Act 37) that says the State of Hawaii recognizes non-profit corporations to give notice to members to get ballots back via electronic means. In order for the corporation to take advantage of this the bylaws will need to be amended and the email system will need to get up-and-running.

- d. **New Office Building:** The contractor, Detwiler Construction, sent us a proposal bid with a price of \$93,789.

MOTION: Approve the restated price for the new office building with Detwiler Construction and signing of the contract. Motion made by Jim O'Hara, 2nd Bob Armstrong. Vote passed unanimously.

Detwiler construction submitted the building plans to the County of Hawaii. The county would not accept the plans until the property taxes were paid. Detwiler went back to the county, paid the property tax and tried to resubmit all of our plans. The county then said a perk test or a drainage study will need to be conducted first, which would cost over \$2,000. In the meantime, President Laura Foster contacted Peter Dahlberg and asked if he would perform a perk test for the corporation. His price to carry out the perk test is \$500 and once finished he would send the results via corporation e-mail so that we may submit the plans to the county as soon as possible.

MOTION: Authorize Peter Dahlberg to conduct a perk test and process paperwork for the County of Hawaii. Motion made by Mike Million, 2nd Bruce Petrovic. Vote passed unanimously.

The 2nd set of prints that Walter Fullerton drew up cost \$755.50.

MOTION: Authorize payment for Walter Fullerton. Motion made by Jim O’Hara, 2nd Bob Armstrong. Vote passed unanimously.

VII. NEW BUSINESS

- a. **David Benitez, NPS:** Called the office in the early morning and cancelled.
- b. **Hawaii Broadband:** Asked if the corporation would allow their antenna to be at our base yard. The board felt this would cause conflict with our current internet service provider, Aloha Broadband. The board decided to leave things the way they are.
- c. **Truck Routes:** A motion was made last month to remove the truck route signs on Tradewind Boulevard above Kailua Boulevard. Those signs have been removed.
- d. **Road Crew Work Schedule:** Moved to executive session.
- e. **Signage for Entrances:** The Road Control committee met and discussed installing signs at the entrances of HOVE. The information on these signs pertains to the weight of the commercial vehicles and the damage that they may cause. The committee still needs to discuss the details of the signs and an enforcement plan. Secretary Mike Million mentioned that he is trying to schedule an appearance from our community officer, Dane Shibuya, at our September meeting to discuss this issue and any other issues the board might have questions about.

VIII. GENERAL DISCUSSION

IX. ADJOURNMENT

5:25 P.M. by President, Laura Foster.

The next monthly Board meeting will be held on Wednesday, September 14th, 2011 at St. Jude’s Church at 4:00 p.m.

Minutes submitted by: Madison Kaupu

Approved by: Michael Million, Secretary

Date: 08/30/11



*H.O.V.E. RMC Board Meeting Minutes
September 14th, 2011*

I. QUORUM: Yes

+ **President:** Laura Foster
+ **2nd VP:** Bill Vinson
+ **Secretary:** Mike Million
+ **Director:** Jim O'Hara

+ **VP:** Mike Finn
+ **Treasurer:** Bob Armstrong
+ **Director:** Bruce Petrovic
- *Director: Jim Steenburg (Excused)*
(+ = **Present** / - = *Absent*)

II. CALL TO ORDER: 4:00 P.M. by President, Laura Foster.

III. ADOPTION OF AGENDA: An addition was made to Unfinished Business, which was *New Office Building*.

IV. APPROVAL OF MINUTES

- a. **August 10th, 2011 (Board Meeting)** - Adopted as written.
- b. **August 10th, 2011 (Executive Session)** – HOVERMC is currently going through contract negotiations with the Operating Engineers Local 3 union. An executive session was held so that all of the board members could be updated with what's happening in the negotiations.

V. REPORTS

- a. **President's report:** HOVERMC received an offer of \$4500 for a foreclosure property. A counter offer of \$5000 was sent back to the proposed buyer. We are awaiting a response. The President noted that in order not to burden Mr. Benitez with our entire meeting she would like to move him ahead of the other reports. Other topics from the President's report were covered during various points of the meeting.
- b. **Treasurer's report:** Operating cash available is \$796,806.50. Investment fund is \$1,083,365.65. Last month's income was \$46,974.23. Year-to-date collected is approximately \$ 970,000 and year-to-date spent is \$547,990.43. Report is on file at the office.
- c. **Secretary's report:** Newsletters and ballots were mailed out on August 12th. This year's quorum numbers for general operating at 10% will need 1,057 votes returned. The bylaw changes will require a minimum of 1,585 votes returned. As of September 13th, 1,010 ballots were returned (2 were disqualified as duplicate ballots) with a vote count currently at 1,534.
- d. **Office report:** Office has been very busy with collections, lien and release of lien processing and assisting the auditors. The office is also doing monthly mailings. Last month 1,540 letters were sent out with the past due notices. There were approximately 350 Intent to Lien notices and 250 Intent to Foreclose notices sent out to delinquent property owners. The office staff is diligently working to get property owners to payoff their assessments or join a payment plan so a lien or foreclosure won't take place.
- e. **Road report:** The road crew was busy with pothole repairs, LOS (line of sight) issues, old or damaged street sign and pole replacement and paint striping this month.

PO Box 6227 • Ocean View, HI 96737

Phone (808) 929-9910 • Fax (808) 929-9623 • Toll Free: 1-866-241-7294

Email: office@hoveroad.com • Website: <http://www.hoveroad.com>

VI. UNFINISHED BUSINESS

- a. **Endless Building:** No Update
- b. **New Office Building:** The President made a note that in last month's minutes it was written that our contractor paid the property tax for our baseyard property. She wanted to make it clear that our property taxes were not past due and that the contractor only paid for the tax so that the building plans for our new office could be submitted. Last month, a motion was passed for Peter Dahlberg to conduct a perk test, which has been done and paid for. The 2nd set of prints from Walter Fullerton have also been paid for. Our contractor has tried to resubmit our building plans to the County of Hawaii, but another issue has been brought forward. In order for the building plans to be submitted successfully a landscape plan must be included. The board will need to check into rule 17 of the County of Hawaii Planning Department Practice & Procedures to see if we might already qualify for having enough plantings at the baseyard.

MOTION: Mike Million will contact a local plant nursery and possibly purchase plants for the beautification of the area surrounding our future office building if it is needed. Motion made by Mike Finn, 2nd by Bruce Petrovic. Vote passed unanimously.

VII. NEW BUSINESS

- a. **David Benitez, NPS:** Mr. Benitez is a biologist and a firefighter for Hawaii Volcanoes National Park. He deals with protection of Hawaiian ecosystems, restoration activities and invasive species management. Mr. Benitez attended this meeting to address the board on the issue of Fountain Grass in the subdivision. Fountain grass is problematic because it colonizes in areas very quickly and helps fuel wildfires. Mr. Benitez and a group of volunteers have been using federal funding to carry out a Fountain Grass removal program over the past few years. He is asking for the support and an endorsement for this project from our board.
- b. **HPD Officer Shibuya:** Officer Shibuya did not attend the board meeting, which pushed this agenda item to a future board meeting.
- c. **Road Use Agreement (Parcel 50):** It was suggested that the board send the property owner of Parcel 50 a letter to start a dialogue between the two parties. This issue will be referred to the Road Committee.
- d. **HAM Radio Operators Equipment:** The amateur HAM radio operators have equipment at our baseyard. The board needs to think about the liability of having the HAM radio operators' equipment at our baseyard and also decide if the board will allow the HAM operators to put back their equipment. It was suggested that the board extend an invitation to the HAM radio operators to speak at a future board meeting about this topic.
- e. **Informational Letter to January Billing:** The board will need to get together ideas of what information they would like to include in the informational letter and to put the subject on next month's board meeting agenda.

VIII. GENERAL DISCUSSION

IX. ADJOURNMENT

4:58 P.M. by President, Laura Foster.

The next monthly Board meeting will be held on Wednesday, October 12th, 2011 at St. Jude's Church at 4:00 p.m.

Minutes submitted by: Madison Kaupu

Approved by: Michael Million, Secretary

Dated: 09/29/11



*H.O.V.E. RMC Board Meeting Minutes
October 12th, 2011*

I. QUORUM: Yes

+ **President: Laura Foster**
+ **2nd VP: Bill Vinson**
+ **Secretary: Mike Million**
+ **Director: Jim O'Hara**

- **VP: Mike Finn (Excused)**
+ **Treasurer: Bob Armstrong**
+ **Director: Bruce Petrovic**
+ **Director: Jim Steenburg**

(+ = Present / - = Absent)

II. CALL TO ORDER: 4:13 P.M. by President, Laura Foster at the HOVERMC Office.

III. ADOPTION OF AGENDA: Revised agenda to include HPD officers as the first topic under Unfinished Business. Also move Road Issues to Executive Session. Adopted with changes.

IV. APPROVAL OF MINUTES

- a. **September 14th, 2011 (Board Meeting)** – Adopted as written.
- b. **September 24th, 2011 (Special Meeting)** – The board was to meet with a paving contractor, but he was unable to attend. Since most of the board was in attendance, except for 2nd VP Bill Vinson, a decision was made to finish up on some tabled topics from the previous executive session. The previously motioned and voted topics that were discussed were:
 - Meet with attorney and move forward with recommended foreclosures.
 - Increased hours for a part-time employee.

V. REPORTS

- a. **President's report:** South Hawaii Realty sold one of the parcels that HOVERMC has foreclosed on. This leaves one foreclosed property in HOVERMC's name. HOVERMC received notice that the deed for the parcel that was "deeded" over to HOVERMC has been recorded and is now being sold through South Hawaii Realty. On Saturday October 8th, HOVERMC's annual membership meeting was held at the Ocean View Community Center. There were 27 members, 6 guests, 7 board members and 5 employees in attendance. The guests included Jocelyn Ikeda (Merrill Lynch), Gil Robinson (OVCA), David Benitez (NPS), Ron Johnson (Chamber of Commerce), Lee Macintosh (Scenic Byways of Naalehu) and Mike Dubois (Ocean View Cleanup). There are currently no updates on the office building, other than the corporation is moving forward with the "permitting" process. Contact with the HAM Radio operators was made and they will be on the November board meeting agenda.
- b. **Treasurer's report:** Operating cash available is \$793,514.64.50. Investment fund is \$1,026,551.89. Last month's income was \$33,779.44. Year-to-date collected is approximately \$1,036,500 and year-to-date spent is \$584,207.59. Report is on file at the office.
- c. **Secretary's report:** Counters for the ballots are out of town until Friday October 14th, so HOVERMC will not receive the final ballot results until the following week. The board of directors met briefly at the membership meeting and decided on the positions of the officers. All officer positions have stayed the same.
- d. **Office report:** The 2005 audit is finished and the office staff is making the correct adjustments now. The president and secretary will be signing off on the paperwork pertaining to the audits as soon as they're received in the mail. The office has placed nearly 400 liens so far this year. Approximately \$34,000 in past dues assessments were collected in September, which almost covered the cost of our accounts payable this month of \$36,000. The president mentioned that the office staff is doing an exceptional job.

- e. **Road report:** The road work performed this month consisted of mowing, pothole repair and sign replacement. Members at the membership meeting suggested that all of the painted white “STOPS” at intersections should be finished throughout the subdivision. It was also mentioned that more reflectors on the side and center of the road should be installed throughout the subdivision. Several issues that will be discussed at the next board meeting or the near future include the use of the water meter in Naalehu, encroachments issues and the HOVERMC equipment. The board also discussed with our crew that we will not be selling cinder because it does not coincide with our bylaws and articles.

VI. UNFINISHED BUSINESS

- a. **HPD Officers:** Several road topics were brought up. There were six different road issues discussed.
 1. HPD will not be able to enforce the truck routes.
 2. HPD can enforce traffic rules & regulations because HOVE is not a gated community and although it is private it's roads are publicly open.
 3. HPD will be checking if we are able to get vehicles towed at the owner's expense that have been parked on any roadways in HOVE.
 4. Members report AVs to HPD, HPD will check & tag vehicles.
 5. HPD suggested that our signs indicate that the subdivision is patrolled by HPD.
 6. Water fill station will be opening on Lehua Lane. Lehua Lane is not a truck route and HPD is looking into a way to exit the water fill station safely.
- b. **January Billing Letter Additions:** Board will be working on the content of the letter that will be included with the January Billing. One possible addition will be the new HRS law pertaining to traffic laws.
- c. **Parcel 50 – Letter Format:** Moved to Executive Session.
- d. **Electronic Transmission – Email Update:** President will be working with office staff to get the email list up and running in the next few weeks. The idea is to have any future informational letters approved and then sent out in a mass-email to our members.
- e. **Endless Building Bids:** Director Jim Steenburg got a quote for the material from FOB in Oakland. There are also labor quotes from the following contractors: Ivan Kaupiko, Bob Taylor, Glenn Kelsey. The board will discuss which labor bid to accept.

VII. NEW BUSINESS

- a. **Ocean View Well Discussion:** A board member mentioned that HOVERMC should request the county to limit water truck sizes to under 6,000 gallons. It will not only minimize any damage to the roadway but also improve the safety of any oncoming traffic near the water fill station.
- b. **Office Computers – Problems:** The president and director Jim O'Hara will be meeting in the upcoming weeks to discuss different computer models, memory sizes, etc. for the office. The computers that are currently being used by the office staff are getting old and are having some technical difficulties.
- c. **Past Due Debt Policy:** The tentative plan for any future past due debt is to lien a property after one year of non-payment, and then foreclose on the property for non-payment soon after. A complete detailed policy/procedure will be typed out and presented before the board for a vote at the next monthly board meeting.
- d. **Road Issues – Complaint:** Moved to Executive Session.

VIII. GENERAL DISCUSSION

Greg Nasby wanted to commend the corporation for the hard work that is being done and he was pleased with the low price of the road assessments.

Rick Crapser wanted to speak about the damage that was done to his vehicle on August 24th, 2011. The president told Mr. Crapser that they would discuss his issue during Executive Session and that he could submit any extra evidence or statements to the board before the meeting adjourned.

Another member wanted to tell the board how courteous the road crew is and she is thankful that we don't spray the weeds along the roadway shoulders.

IX. ADJOURNMENT

5:23 P.M. by President, Laura Foster.

The next monthly Board meeting will be held on Wednesday, November 9th, 2011 at St. Jude's Church at 4:00 p.m.

Minutes submitted by: Madison Kaupu

Approved by: Michael Million, Secretary

Dated: 10/31/11



*H.O.V.E. RMC Board Meeting Minutes
November 9th, 2011*

I. QUORUM: Yes

+ **President: Laura Foster**
+ **2nd VP: Bill Vinson**
+ **Secretary: Mike Million**
- *Director: Jim O'Hara (Excused)*

+ **VP: Mike Finn**
+ **Treasurer: Bob Armstrong**
+ **Director: Bruce Petrovic**
+ **Director: Jim Steenburg**

(+ = Present / - = Absent)

II. CALL TO ORDER: 4:01pm by President, Laura Foster at the St Jude's Episcopal Church.

III. ADOPTION OF AGENDA: Additions made to the agenda by President, Laura Foster. They are:

- a. Add the topic of **Signage** to item 6, Unfinished Business.
- b. Add the topic of **Board Meeting Date & Time** to item 7, New Business.
- c. Add the topic of **Office Procedures** to item 7, New Business.
- d. Add the topic of **Board of Directors** to item 7, New Business.

Additions were approved by board. Agenda will stand as written with the changes.

IV. APPROVAL OF MINUTES

- a. **October 8th, 2011** (*Annual Membership Meeting*) – Stand as written.
- b. **October 12th, 2011** (*Board Meeting*) – Stand as written.
- c. **October 12th, 2011** (*Executive Session Results*) – Executive session was held at the conclusion of the October 12th board meeting and lasted approximately forty five minutes. Under item 7 of the October agenda, New Business, the Road Issue Complaint was moved to executive session. That issue was discussed amongst the board. The board concluded that the complaint had no verifiable evidence and the complaint was denied. The party involved was notified of the board's decision by certified mail. Also discussed at executive session was an update on the ongoing negotiations with the Operating Engineers Local 3 Union. Last item of discussion at the executive session was the structure of the current board of directors. Further discussion of this topic will be made during this meeting.

V. REPORTS

- a. **President's report:** President reported that the corporation's taxes have been filed and should be filed on time next year with our new CPA. She also reported that last month's meeting was moved to the HOVERMC office because everyone was inadvertently locked out of the St. Jude's Church. We are resubmitting our office plans to the County of Hawaii and hope to be moving forward with it soon. Spoke to our contractor, Bob Taylor, about the endless equipment building. He said the doors for the building have been ordered and should be here in the next ten days. The president also wanted to allow Mr. Rick Ward of the HAM Radio Operators to address the board after her report so that he did not have to wait through the entire duration of the meeting to speak.
- b. **HAM Radio Operators:** Mr. Rick Ward addressed the board about the HAM radio equipment that is currently being stored on the HOVERMC base yard property. Mr. Ward said that the equipment does not necessarily need to be kept at that site, but because of the security and the geographical location of the base yard it makes it an ideal place to house the equipment. He also mentioned that the equipment may be vital to have in case of an emergency. He thanked the board for allowing the equipment to be at the base yard for all this time. He will be awaiting a decision from the board on whether the equipment will continue to be stored at the base yard or will have to be moved.

- c. **Treasurer's report:** Operating cash available is \$774,658.30. Investment fund is \$1,075,144.33. Last month's income was \$36,923.54. Year-to-date collected is approximately \$1,073,500 and year-to-date spent is \$630,421.18. Report is on file at the office.
- d. **Secretary's report:** The final vote tallies from this year's ballots are in. According to our ballot counters, Naalehu Main Street, there were one thousand nine hundred twenty one votes counted. Bob Armstrong and Laura Foster were both confirmed as board members. The budget and road plan were both approved. All of the bylaw changes that were proposed in the ballot were also approved. The changes will be applied to the corporation's bylaws and submitted to the Bureau of Conveyances in the coming weeks. The secretary did mention that he did an audit on the counter's tallies to check for errors. He found two errors. Both mistakes were because of an incorrect tally number. The first error was a recorded tally of thirty eight and it was actually twenty eight. The other error was a recorded tally of twenty five and it was actually twenty six. That left a nine vote difference. This affected only one ballot topic, which was the change to bylaw 3.1. The results should reflect one thousand six hundred seventy seven yes votes instead of one thousand six hundred eighty six. The ballots from 2009 have been destroyed according to policy. The ballots from this year have been marked for destruction in 2013.

The other issue that was brought up at last month's board meeting with HPD was what the corporation would have to do to install a NO RIGHT TURN sign at the entrance of the water fill station. The sign would pertain solely to water delivery trucks. The captain of the Ka'u Police Department called back with an answer the following week. He said that according to the prosecuting attorney the corporation will have to ask the county council for a resolution to change the county code for that specific location. They said it will require pictures, drawings, documents and a letter of what would be done. It would then go before the county council for deliberation. The secretary spoke with Brittany Smart's legislative assistant, Nelson Ho, who said the packet will need to be mailed to him so that he can put it on the docket for county council for December or January. The estimated cost of the signs if it is approved by the county council is \$341.02.

MOTION: Send the completed packet of information to Hilo for county council consideration. The packet will include a letter that specifically states the location and reason for the installation of a NO RIGHT TURN sign for water delivery trucks only coming out of the water fill station on Lehua Lane. Motion made by Bruce Petrovic.

Passed unanimously.

- e. **Office report:** The president said that the office staff are continuing to collect on the past due accounts. Several of our properties were sent to our attorney, Raymond Hasagawa, for action. The president also asked him to look into our collection efforts to make sure we were following all of the rules. After review he said that the corporation is following the correct collection procedures. He was also asked to look into the statute of limitations for collections. His reply was that the issue of applicable statute of limitations for foreclosure and file liens was researched. Due to our bylaws section 5.8, the general six year statute of limitations for recovery of a debt is extended to a twenty year limitation on road fees.

TIH has finished the 2005 audit. They are currently starting work on the 2006 audit. TIH has made note in their annual accounting that in February of 2011 the board of directors hired Carr & Gouveia to assist in preparing the Standard Operating Procedures Manual. As of September 19th the manual was started with an estimated completion date of September 30th. Carr & Gouveia are unable to complete the S.O.P.s without the foreclosure collection policy. The collection policy will be discussed and decided on later in the meeting.

The County of Hawaii real property tax division will hold a tax auction on December 14th. There are thirty six lots in HOVE that will be going up for auction. If anyone has questions about the auction they should contact 323-4880.

Whenever part-time office worker, Jeffrey Ha'alilio, has been called in to work, he has been busy with cleaning up customer accounts. Since the beginning of this year one thousand one hundred eleven "new TMK" accounts have been created. As of today, there are eight hundred twenty three "old named" accounts that need to be switched into the new TMK format. All of these accounts have been paid in full. There are also an additional four hundred nineteen "old named" accounts that are delinquent. Those accounts can also be switched into the new TMK format, but it is a lengthier process. The president suggests that Jeffrey should be asked to work every Friday for the rest of the year to get all of the old accounts updated to the new TMK format. The rest of the board agreed.

- f. **Road report:** The crew has been working on patching and mowing throughout the subdivision. Director Bruce Petrovic and another person recently did an evaluation on the corporation's road equipment. He said he took pictures of each piece of equipment that they evaluated and he will be putting together a report to present to the president with the results of his review.

The president requested that the board allow more cold patch be purchased so that the crew could keep up with pot holes. It was also mentioned that safety painting was a main interest from our members at the annual board meeting. The board agreed that safety painting and installing reflectors was an important matter that should be worked on for the remainder of the year. The only roadway that will not be painted will be Tiki Lane because it will be worked on in 2012.

VI. UNFINISHED BUSINESS

- a. **Email System:** Director Jim O'Hara sent an email to the rest of the board on whether or not the corporation should utilize the GoDaddy Express email service. The estimated cost is \$450.00 for three years of service.

MOTION: The board gives the okay to Director Jim O'Hara to proceed with purchasing the GoDaddy Express Email Service for \$450.00. Motion made by Mike Million. Passed unanimously.

- b. **January Billing Letter Additions:** The president said that if anyone would like to submit information for the January Billing Letter that they must have it in by December 1st.

- c. **Past Due Debt Policy:** The past due debt policy needs to be finalized to submit to Carr and Gouveia for the procedures manual. The complete policy will be sent out with the January billing and posted on our website.

MOTION: Adopt the past due debt collection policy and formalize it so that it can be sent to Carr & Gouveia. Motion made by Mike Million. Passed unanimously.

- d. **Signage:** There were numerous examples of subdivision-entry signs showed in the board packets. All of the ideas were reviewed and the issue was sent back to the road committee for further deliberation on the particulars.

VII. NEW BUSINESS

- a. **Board Meeting Date & Time:** The president proposed that the board meeting date and time be moved to the fourth Tuesday at 10am every month.

MOTION: Adopt the change of date and time of the monthly board meetings to be held every fourth Tuesday at 10am at the St. Jude's Episcopal Church. Motion made by Laura Foster. Passed unanimously.

- b. **Office Procedures:** The president also proposed that the office be closed once a month to coincide with the board meetings.

MOTION: Adopt the change to the office schedule. Motion made by Laura Foster. Passed unanimously.

- c. **Board of Directors:** Two of our directors have chosen to resign from the board of directors. Bob Armstrong, the corporation treasurer, has decided to move back to the mainland and therefore will no longer be a director. Also, due to the recent change to bylaw 3.1 by our membership there can be no more than 7 members apart of the board at any one time. Because there were no current directors who were comfortable with filling the Treasurer's position, one director had to step down so that another person could fill the position. Bruce Petrovic elected to step down as a director. Both letters of resignation will be on file at the office. Ms. Stephanie MacDonald, a member of the community, has vast experience as a CFO and is willing to not only be a board member, but also step into the treasurer's position.

MOTION: Accept the resignation of board treasurer Bob Armstrong. Motion made by Laura Foster. Passed unanimously.

MOTION: Accept the resignation of director Bruce Petrovic. Motion made by Laura Foster. Passed unanimously.

MOTION: Vote Stephanie MacDonald onto the board of directors. Motion made by Laura Foster. Passed unanimously.

MOTION: Allow Stephanie MacDonald to fill the treasurer's position. Motion made by Laura Foster. Passed unanimously.

VIII. GENERAL DISCUSSION

The County of Hawaii hired an outside contractor to lay water pipe from Paradise Circle down to the bottom of Lehua Lane and to fix the roadway afterwards. The road work that was done on Lehua Lane and Keaka Parkway was not satisfactory. After meeting with the contractor, he said it will be redone.

The Lehua Court project is ready for development. The County of Hawaii is requiring that the road be widened first. A contractor has asked the board if they would entertain the idea of asphalt installation instead of chip-sealing. Approval was given to continue investigating that possibility.

IX. ADJOURNMENT: 5:36pm by President, Laura Foster.

The next monthly board meeting will be held on Tuesday, December 27th, 2011 at St. Jude's Episcopal Church at 10:00am.

Minutes submitted by: Madison Kaupu

Approved by: Michael Million, Secretary

Dated: 11/15/11



*H.O.V.E. RMC Board Meeting Minutes
December 27th, 2011*

I. QUORUM: Yes

+ **President: Laura Foster**
+ **2nd VP: Bill Vinson**
+ **Secretary: Mike Million**
+ **Director: Jim Steenburg**

+ **VP: Mike Finn (Late)**
+ **Treasurer: Stephanie Macdonald**
+ **Director: Jim O'Hara**

(+ = Present / - = Absent)

II. CALL TO ORDER: 10:02 am by President, Laura Foster.

III. ADOPTION OF AGENDA: Adopted as written.

IV. APPROVAL OF MINUTES

- a. **November 9th, 2011 Board Meeting Minutes:** Stand as written.
- b. **November 9th, 2011 Executive Session Results:** An update on union negotiations.
- c. **December 6th, 2011 Executive Session Results:** Entire board of directors met with Triple K Trucking (Kyle Pua) in regards to setting up a contract for his company to perform road work in HOVE.
- d. **December 9th, 2011 Executive Session Results:** Discussion about the direction of the HOVERMC employees and the need for a General Manager.

V. REPORTS

- a. **President's report:** The board met with the union representative on November 22nd where they reached an agreement. The agreement was accepted on November 25th. There will be another executive session held at the end of this meeting to discuss the final details of the agreement. The contract is in effect for three years and is retroactive back to the 1st of October 2011. There are three men currently working on our road crew. Their work schedule is from Monday through Friday from 8am to 5pm with an hour lunch break. They are currently painting, putting down reflectors, patching potholes and repairing signs as needed.

Taylor Construction started their work on the endless building. Hope to have the equipment that needs to be protected in the building soon.

The board reached an agreement with Kyle Pua. He has started work on a mile and a half section of roadway that stretches from the top of Tiki Lane to Kailua Boulevard. This is a test section that will help determine whether or not the corporation will use his services in the future.

Currently, there is no new information from any of the contractors regarding Lehua Lane. The board spoke with them last month about the damage that was done to the roadway. They are working on it and the board will keep track on their progress.

- b. **Treasurer's report:** The new treasurer, Stephanie Macdonald, reported that as of November 30th, 2011 the corporation's operating cash available is \$749,668.25. The amount in the corporation's non-operating investment fund is \$1,066,026.65. The amount of collected assessment income for the month of November was \$25,735.33, which brings the year-to-date collected total to approximately \$1,100,000. The year-to-date spent amount is \$665,496.61. The full report is on file at the office.
- c. **Secretary's report:** No report from secretary. He did mention to the office staff that they will need to keep track of the number of billings assessed because that will be the number used as the quota for the newsletter mailing later in the year.

- d. **Office report:** All of the “old” accounts that had zero balances have been switched into TMK formatted accounts. There are approximately 400 “old” accounts with outstanding balances left in the system to be changed to the new format. We will be putting off changing those accounts till after the billing has gone out and things have mellowed. The County of Hawaii just held their tax auction. We hope that surplus funds collected from the auction will help bring down the balances of some of those 400 outstanding accounts.

TIH is currently working on the 2006 audits. It seems to be moving along much quicker than the 2005 audit. They hope to be done by the end of this year or at the early part of 2012. They spent one full day in our office and will be making another trip to our office soon.

The 2012 statements will be sent out at the beginning of January. All assessments are due by March 31st. The assessment for 2012 is \$99.00. However, if a payment is made by February 29th, a \$9.00 discount will be applied. That would make the assessment \$90.00. Accounts that remain unpaid after March 31st will incur a \$10.00 late fee. The corporation has already received prepayments from members for their 2012 assessments.

- e. **Road report:** The president asked if the board would allow the request from the road crew for materials such as tires, windshields, etc. be combined with the *Hiring General Manager* agenda item.

VI. UNFINISHED BUSINESS

- a. **Rick Ward, HAM radio operation:** Mr. Ward did not attend the meeting. The president asked if there was any discussion regarding the HAM radio operation and whether or not Mr. Ward would have access to the base yard. A couple of board members agreed that he can have a “call-up access” rather than a key access. Director Jim O’Hara recommended that Mr. Ward issue some kind of written document that explains the importance of the equipment in emergencies, if there is a program in place in case of an emergency, how many active members are using the equipment, etc. The board will get in touch with Mr. Ward to find out what his plan is.
- b. **Road committee update:** The last committee meeting was held on November 27th. The main discussion at the meeting was the access to Lot 50 through the HOVE road system. Director Jim O’Hara recommends that a meeting between the owner of Lot 50 and the road committee be setup to discuss the road use agreement. The road committee will be getting together once more to draw up a list of questions to ask the owner of Lot 50.
- c. **Office building update:** The president and secretary are currently working on a landscaping plan to submit to the County of Hawaii for approval. They hope to have that submitted within the next few days.

VII. NEW BUSINESS

- a. **Jim Simmons, metal recycling request:** Mr. Simmons did not attend the meeting. Mr. Simmons would like to offer a similar service as Mr. Mike Dubois, but has not attended any meetings to discuss his service.
- b. **Encroachment issues:** The president asked the board what they would like to do about encroachment issues. It was recommended that the corporation send letters to the individual property owners who are encroaching onto the HOVE road system, set a timeline, and be sure to follow up with an action of some sort for those who do not fix their encroachment.
- c. **Hiring General Manager:** The board is discussing the need of hiring a General Manager, who would take a good share of what the board is presently doing, make sure all tasks are being completed and everything is running smoothly. It will be a full-time position.

MOTION: Start the process of hiring a General Manager. Motion made by Jim O’Hara. Passed unanimously.

VIII. GENERAL DISCUSSION

A request from the road crew for supplies was made. Items requested include tires, misc. stencils, batteries, windshields, etc. The board asked Kristyn to get quotes for the requested items and submit it to them for approval.

A member who attended the board meeting wanted to mention that she has seen big improvements this year compared to last year. She also had one suggestion for the contractor who is working on the roadway at the top of Tiki Lane. She passes through that area frequently and recently

she wasn't able to pass because the roadway had been blocked. She suggested that the contractor post the proper signage near the intersections of where the road work is being done instead of near the obstruction in the middle of the block. Patrons will then know that they need to find another route to travel.

IX. ADJOURNMENT: 10:55am by President, Laura Foster.

The next monthly board meeting will be held on Tuesday, January 24th, 2012 at St. Jude's Episcopal Church at 10:00am.

Minutes submitted by: Madison Kaupu

Approved by: Michael Million, Secretary

Dated: 12/29/11

**H.O.V.E. Road Maintenance Corporation
Annual Meeting, October 8, 2011
Meeting Minutes**

The annual R.M.C. membership meeting was held, Saturday October 8, 2011 at the Ocean View Community Association. The meeting was attended by many members as well as various guest speakers.

I. Quorum: A quorum of Board members were in attendance. Those present were Laura Foster (President), Bob Armstrong (Treasurer), Bill Vinson (2nd Vice-President), Jim O'Hara (Director), Jim Steenburg (Director), Bruce Petrovic (Director), and Mike Million (Secretary). Mike Finn (Vice-President) was off-island and unable to attend.

Guest speakers consisted of Juslyn Akeda representing the Peacock group of Merrill Lynch, Gil Robinson and his wife Judy, representing the Ocean View Community Association, David Benitez representing Hawaii Volcanoes National Park, Lee McIntosh representing the Chamber of Commerce; Scenic Byways Program, Ron Johnson representing the Chamber of Commerce Directory, and Mike Dubois representing the Dump Site Cleanup Task Force.

II. Call to Order: The meeting was called to order at 10:00 am by President Laura Foster.

III. Adoption of the Agenda: The agenda was previously distributed in the newsletter and was formally adopted.

IV. Last Call for Voting: The "last call for voting" was announced and with no members left to vote, voting was closed at 10:03 am.

The tone of the meeting was determined to start with reports, move into the guest speakers, and end with an open forum for members to ask any question they may have. There were light pupu's and beverages being served at the conclusion of the meeting and members were encouraged to take some time to speak one on one with the guest speakers or board members.

V. Reports:

Presidents Report: President Laura Foster began by introducing each Board member as well as our staff who were present; Rudy representing the road crew and Kristyn, Madison and Drew representing our administrative staff. Laura noted that her report was going to be very brief as all of the major issues had already been covered in the newsletter. It was noted that we were experiencing one small snag with the process of obtaining permits from the County of Hawaii for the construction of our office building, however, we would be working through that and hoped to obtain permits and begin construction very shortly.

Treasurers Report: Our Treasurer, Bob Armstrong reported that we were making progress and moving along with past due audits. The 2004 has been completed and the 2005 just finished. Office staff are making appropriate entries to the journals and auditors had already begun the 2006 audit, which will be a full audit. The 2004 and 2005 were classed as partial audits.

In regards to the 2011 budget, so far we have spent about \$584,000 out of the \$896,000 annual budget and with three months remaining in this fiscal year, we are in very good shape and should be able to stay within budget.

As far as the year to date income totals; we have taken in about \$1,037,000 so far. This is due in

a large part to our Collections Specialist Andrew who has recovered about \$321,000 this year so far. Since his hire, one year ago, he has brought in a total of about \$466,000 in delinquent assessments. His job will be to continue collecting the roughly one million dollars still outstanding and bring our corporation funds needed for road rebuilding.

Our 2012 budget is for \$940,000 and we have been working to continue reducing administrative and non-road costs so that we can apply as much of your money as possible into the actual road system. Our efforts are starting to be somewhat successful and we hope to accomplish more in 2012.

At this time, President Foster announced that the road report was being moved ahead of the Secretary's report as it will make the information flow more smoothly.

Road Report: Rudy gave a detailed analysis of work that had been completed during the past year. He touched on issues such as; the temporary County of Hawaii Solid Waste site, the County of Hawaii water filling station, weed control within the subdivision, abandoned vehicles, patching potholes, sign damage and replacement, line of sight issues and then went into detail regarding the major work completed. There had been a 1.5 mile section of upper Reef Circle that had been completely resurfaced as well as 1.5 miles on Princess Kaiulani Blvd and a .5 stretch of Iwalani. Late last year, sections of the road adjacent to the shopping plaza totaling about another .5 miles had been completely rebuilt.

2012 Road Plan: Director Bruce Petrovic announced the 2012 Road Plan which along with keeping up on the maintenance issues (signs, potholes, and weed control) will consist of a resurfacing of Tiki Lane from the start at Highway 11 to the top at Seaview, a distance of about five (5) miles at a cost estimated to be around \$275,000.

Secretary's Report: The Secretary's report began with the number of ballots and votes counted at this time. There had been 1,182 ballots counted which equated to a maximum of 1,796 potential votes. Since the adoption of our numerical quorums last year, the 10% required for non bylaw changes will be a minimum of 1.057 while the 15% required to change bylaws meant we needed to receive 1,585 votes. Both of our quorums have been met at time of the meeting. Votes received in the past several days as well as those collected at the meeting would still need to be factored into the final total.

At the time we came onto this board in mid-2009, average vote totals received at the annual meeting ranged around 900. As a Board, we felt we should and could do better. Vote counts for 2009, 2010, and now 2011 averaged between 1,850 and 2,063. Though this may be a significant improvement, we still think we should and could do better. A survey of those members who actually reside within one (1) hour of our subdivision indicates that about 2,546 DID NOT VOTE. This is sad!!! Our focus will be "what do we as a Board need to do to reach out to these folks, To get them engaged, get them involved, and get them to try and take one (1) day per year out of their life and vote for the integrity of their investment in H.O.V.E." As a Board, we are willing to look at any ideas that will help achieve this objective.

We had a member write a note and ask if it would be possible, with all of the technology available today such as "Go to Meeting" to allow members who reside outside of the island to participate as Board members. It was noted that this would require changes to our existing bylaws and there would have to be limits and restriction, but yes it is possible.

Back in 2007, the members approved the use of "electronic transmission" yet the concept has never been explored up to this point. We are on the verge of being able to send supplemental

information to any members with email addresses who wish to be kept current with issues in H.O.V.E. The cost of a mailing is nearing \$7,000 with printing and postage costs. Email would give us the ability to stay connected to members at no significant cost. Additionally, Governor Abercrombie recently signed legislation that would allow Hawaii non-profit corporations the ability to vote electronically. This would be an incredible savings to the members and we will begin exploration on the mechanism necessary to accomplish this.

VI. Voting Results: The vote count received prior to the start of the meeting is listed below. The small number of last minute ballots not yet counted are not sufficient to change any of these reported outcomes.

For the position of Director, two to be elected; Bob Armstrong - 1,564, Laura Foster - 1,646. Both are elected for a three year term.

On the issues governed by the 10% quorum rule requiring 1,057 votes to be cast; the 2012 budget is approved. 1,659 YES - 96 NO.

The 2012 Road plan is approved. 1,643 YES - 94 NO.

In the matters requiring a 15% quorum be obtained, needing 1,585 votes to be cast; a change to Bylaw 3.1 (lowering the number of Directors from 11 down to 7 and giving the Board the ability to remove by vote any Director not current with their dues and assessments) is approved. 1,591 YES - 159 NO.

A change to Bylaw 3.3 (requiring term limits for Directors) is approved. 1,533 YES - 209 NO.

A change to Bylaw 3.4 (prohibiting any Director removed by a vote of the members to reapply for a position on the Board) is approved. 1,529 YES - 211 NO.

A change to Bylaw 3.18 (the ability to remove any Director for three un-excused absence during a calendar year) is approved. 1,539 YES - 199 NO.

All issues have passed and the final tallies will be reported at the November monthly meeting following the completion of an audit.

VII. Open Forum: The first segment was dedicated to our various guest speakers who made a brief presentation on their topics and then were available for further discussion at the close of the meeting.

Juslyn Akeda, representing Merrill Lynch is our corporate investment counselor. She indicated to the audience that markets today are much like the ocean during the winter months, very choppy and unpredictable. She related information concerning the impact of national as well as global economics and how they impacted all segments of the economic system. Early indications are that the markets will begin to recover during 2012. The outlook is positive and there is anticipated improvement.

Gil Robinson represents the Ocean View Community Association and their goal is to provide a platform for public and social venues within their facility. They also sponsor such public venues as the "green market" each Friday afternoon, a pancake breakfast each month, a Thanksgiving dinner for the community, as well as a "keiki" Christmas. They are funded through memberships which cost only \$30 per year. Maintenance is one of their bigger issues as the building is between 35 and 40 years old. They have an excellent email system as well as two new reader

boards in the community to make everyone aware of upcoming events. It's a great organization, supported solely by membership so please consider joining. Call 939-7033 for further information.

David Benitez is an ecologist and firefighter with Hawaii Volcanoes National Park and is involved with the "fountain grass" eradication program. This grass is a problematic weed that is extremely flammable. The NPS will be organizing a public outing in late January or early February 2012 and community volunteers are welcome. This program will help reduce the fire hazard within our community and is worthwhile for members to explore.

Lee McIntosh of the Kau Chamber of Commerce talked about the Scenic Byways Program which is currently under development. The entire Kau section of Highway 11 has been selected as an exceptional travel experience or a corridor of special significance for its natural beauty. The program is designed to help local businesses, boost tourism, aid in preservation, and create community awareness. Further information can be obtained about the Scenic Byways Program by calling 929-7236.

Ron Johnson, also representing the Chamber of Commerce and the Directory. Membership in the Chamber is \$35 per year. Please stop by his table for more info.

Finally, Mike Dubois who has been in cleanup campaigns in Ocean View since 2008 gave an overview of his organization. Since Mike began his quest to help in cleaning up Ocean View and surrounding areas, almost 1,400 derelict cars have been removed. The project is a collaborative effort with Mike, JYD towing, and S&S Salvage. Car removal is completely free by calling 987-6099 to schedule a pick-up. Mike is currently involved through a non-profit organization (Keep Hawaii Beautiful) and is part of a task force working through a grant from the prosecutor's office to fund dump sites cleanup. In a two day session, volunteers removed 62 tons of trash. Community non-profit organizations have the ability to earn up to \$1,000 for each dump site cleaned up. A "standing ovation" was called and member appreciation for his efforts was clearly visible.

The Open Forum section continued for members to ask any questions they may have to the board.

The first question dealt with the County water fill station and whether or not trucks were going to be required to exit the fill station and re-enter highway 11. The concern was that should they enter the subdivision at that location, damage to the roadway would be significant and the road itself was not designed to handle that type of vehicle. That item is on our agenda for the monthly board meeting and we are paying close attention to this issue as it could become problematic. We have been getting input from the members living/owning property in the adjacent areas and will be attending the Water Board meeting in Hilo at the end of the month in order to request Water Supply assistance in the matter. Lehua Lane is NOT a Truck Route and we are going to request that all commercial haulers re-enter the highway at that point and continue into the subdivision via respective approved routes.

A member asked if the County of Hawaii was paying their fair share of mandated road assessments. The County of Hawaii owns over 70+ acres of property within Hawaiian Ocean View Estates subdivision. They currently only pay for three acres and have asserted that they are not going to pay for any of their other properties. This Board will be exploring that matter with our corporate counsel.

A question was raised as to whether or not all of the abandoned vehicles originated in our

subdivision or had they been imported here. That answer is not known. Members were informed of who to contact for A.V. removal questions. A follow up question wondered if that matter could be noticed on our new signs being developed for each entrance. That matter will be taken under consideration.

Going back to the water issue, will there be a charge to homeowners for water. From the information delivered by the Department of Water Supply at a recent community meeting, only commercial accounts will be charged, there will be no charge for homeowners consumption. Since the DWS was currently managing the fill station, it was going to be operated similar to other area fill stations.

The property owner at the top of our subdivision, known as Parcel 50, came into question. It was noted that he operated at least four (4) entrances from his property into our road system and that trucks from his gate located at Koa had completely destroyed a complete section of the road system. Does he own property within H.O.V.E., does he pay for his properties, and can you find out what he intends and deal with him appropriately? The answer to all three questions is YES. That matter is already on our agenda to deal with at next week's board meeting and a letter will be sent to arrange a meeting with him in order to address these issues. There is a possibility that a Special Assessment may be in order for the damage to our road system.

What do you know about the H.O.V.E. Readjustment Scheme that is being proposed by the County of Hawaii? Our office did receive a call from Mr. Whitmore, wondering who in our organization may be influential in the community. The message was passed on to our President who spoke with Mr. Whitmore and received an email laying out the proposal. There are several copies of those documents on the table for examination and if anyone desires their own copy, please place your email contact information on the supplied paper. We do know that there is a public meeting already scheduled for St. Jude's Church next Tuesday, October 11th at 5:30 pm. Interested members should plan to attend.

A member who started off by stating they were "not from here" and lived on the mainland, wondered that since we had requested to reduce the number of Directors from 11 down to 7, and asked for term limits, are there enough people here willing to serve on the Board? The issue of members from various locations being able to serve through many of the technological methods available today is going to be explored. This would require some changes to our governance documents that would have to be approved by the membership. We would have to set some terms and conditions as it is always going to be necessary to keep at least four Directors/Officers in this area for the purpose of signing checks, documents and dealing with issues that require face to face obligations. We are working toward some info that we hope to have ready to include with our January billing to ask questions and relay info pertinent to the membership. We can send a couple pages of supplemental information along with the billing at no additional cost to members.

A question was asked about the safety of the school children entering and exiting school buses on our roads. Does the road corporation have any plans for safety improvements such as permanent bus shelters for the children? The primary area in question is the Lotus Blossom and Princess Kaiulani intersection. The road corporation is involved with safety issues of the road system. The issue of safety of the children entering the roadway to access busses is the responsibility of the parents. For the road corporation to get involved in building bus shelters would create several problems.

We are mandated to work on the road system, period. Building anything within the easement allotted would technically be an encroachment. We do not allow members to encroach and we

should not do so either. We could, however, paint in crosswalks at necessary intersections and is the school system could provide a volunteer parent to act as a crossing guard to insure the children's safety that would be appropriate. There is and has been a marked crosswalk already in place at the location cited earlier. The member was encouraged to inquire with the County of Hawaii as to whether they would be inclined to facilitate bus parking at some of their many properties which would enable complete off road parking and loading for the busses.

A question came up about the "neighborhood watch" program, wondering if we had any information about them. The member was referred to Ron Johnson's table as all of that information is contained within the Chamber of Commerce's Directory.

The final question involved the painting and marking of the roadways. Are we going to continue marking the roads for better visibility? We are going to continue painting white lines on all road shoulders as well as marking each stop location with the proper "stop bar" painted on the road. We are also going to be applying the reflective markers on road sides as well as center lines to better illuminate the roadways at night. This was a slow process and there are many needing this process, but work will continue until all roadways are finished. Another question wondered if the crew could recycle loose reflectors again. Rudy replied that it was possible and they do so when possible. If there are too many rocks stuck to the base, it is not cost effective to do so.

A last call for questions indicated that no other members had issues they wished to discuss.

The Board members were asked to remain in place to elect officers at the close of the membership meeting and members were offered the opportunity to sit in on this process. There were light refreshments available in the back of the room and guests as well as Board members were available for conversation with members after the meeting.

VIII. Adjournment: The meeting was adjourned at 11:17 am.

The open meeting to nominate and elect officers of the corporation commenced immediately. A motion was made to keep all Officers in place in their current positions. Discussion offered no other requests for consideration. A vote was taken and all Officers will remain in their current positions. That meeting was adjourned at 11:21 am.

Minutes completed by: _____, Secretary on October 15, 2011