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January Monthly Board Meeting Minutes
Meeting held January 9, 2008

I. Quorum: Yes

II. Called to Order: 4:10 pm

III. Adoption of Agenda:

IV. Roll Call: *Attended:*

- | | |
|--|-----------------------------|
| ✓ Loren Heck, President | ✓ Mary Kastle, Secretary |
| ✓ Ken Wicks, 1 st VP | ✓ Rell Woodward, Treasurer |
| ✓ Randy VanLeeuwen, 2 nd VP | ✓ Bill Vinson, Board Member |
| ✓ Valerie Tudor, Board Member | <i>Attended by phone</i> |
| ✓ Jack Garner, Board Member | |

Meleana Smith, A & O Director

V. Opening: none

The President requested an item be added to the agenda as VII:A:2, Open Committee Chair positions. All board members were in agreement.

VI. Approval of prior Minutes:

A. Approval of December Minutes

Motion: Loren Heck moved that the minutes of the December Board meeting be approved as presented. Seconded by Ken Wicks.

Unanimous

VII. Officer's Reports

A. *President* –

1. Open seat on Board – David Dalley is the only person who has a “right” to be on the board, having been nominated and received votes in the last election. However, he has not attended the last three meetings and doesn't seem to be interested. Therefore there is still an open seat on the board.
2. Committee chairs – there are two Committee Chair positions open. Loren asked Ken Wicks if he would chair the Membership Committee. Ken agreed to accept the position.

Motion: Loren Heck moved that Ken Wicks be appointed Chairman of the Membership committee. Seconded by Randy Van Leeuwen .

Unanimous

Loren asked Mary Kastle if she would chair the Bylaws Committee. Mary agreed to accept the position.

Motion: Loren Heck moved that Mary Kastle be appointed Chairman of the Bylaws committee. Seconded by Randy Van Leeuwen .

Unanimous

Committee Chairs for 2008 are as follows:

Administrative

Bylaws – Mary Kastle

Budget & Finance – Rell Woodward

Legal – Loren Heck

Personnel – Mary Kastle

Operations

Building & Equipment – Randy Van Leeuwen

Road Maintenance – Jack Garner

Membership – Ken Wicks

Safety – Randy Van Leeuwen

B. 1st Vice President – No report

C. 2nd Vice President – No report

D. Treasurer –

1. Financial Report included in Board Packet

Ken would like to see more comments on the Financial Report, so that the Board would be better informed.

He asked about ‘advertising expenses’ and Mele explained that liens which are sent Certified mail and returned ‘Refused’ or undeliverable must be published in both local papers, according to our bylaws. Therefore we have to run a Legal Notice publication at least once a year. Rell suggested that the budget item be changed to ‘Legal Notification’ rather than ‘Advertising’.

The efficacy of accepting credit cards for payment was questioned, due to high banking fees. Mele said once the billing cycle was over she would pursue finding a better rate. Roughly 30% of our assessments are paid by credit card, and we currently do not accept AmEx because of their exceptionally high fees.

Ken would like to see the ‘Office Supplies’ category itemized; Rell pointed out that that information is available in a separate report but should not be included in the monthly report for the sake of brevity.

E. Secretary – No report

F. Administrative and Operations Director

1. Administration –

a. Office Report:

1. 2008 Billing

The production of billing will start this week and should be ready to mail by February 1st; all the office staff will be involved in folding bills and stuffing envelopes.

Mele is working on the 2007 taxes.

- She has gathered all the information required for the Special Use Permit and hopes to submit it by the end of the week. This includes maps and the names and addresses of all property owners within 500 feet of our property, and took considerable research. Rell said Norm Hyashi and Jeff Darrow of the Planning Commission will be working with us on this process, and will be available for questions. He suggested that Mele contact one of them to let them know it's coming.
2. Year End Processing – one of the laborers on our crew has a broken arm due to a non-work-related incident; he has been assisting with stuffing envelopes and getting things ready for the billing, so we have not needed to hire outside help
 3. Newsletter – It's still early, but the newsletter will be coming up in a few months. Articles from the Board of Directors would be welcomed.

2. *Operations -*

- a. Foreman's Report: We've been losing Stop signs almost as fast as we can replace them. Some are stolen or defaced, some are replacements for older, non-standard signs, and some get knocked down and damaged too badly to re-use. We need to order more from GP Roadways, at least 50 to replenish stock.

The crew is working on the lower part of Princess Kaiulani; since this is a complete rebuild, the road is being widened and repositioned to center it better in the roadway. We are now able to get the CRS-2 (rapid set) oil again so the process is moving much faster than before, and using less oil to produce a good surface. Valerie asked if the supply of oil is now ensured; Mele responded that Sealmaster is now producing the CRS-2 and shipping it to us directly, and the supply is as assured as anything connected to petroleum can be. Cost of the product has gone up due to rising oil prices.

Parking blocks have been added to the walking path around the park to make it safe for pedestrians; a space had to be left open for the crews that will be drilling the new well. Once the well is complete we will be able to close that final gap.

We have been trying to contact Susan Kamigaki about widening Lotus Blossom at the entrance to their new store, in addition to the trenching to allow their water line to cross the road at L.B. and Keaka, but have not yet gotten a callback. They are still mired in some permitting issues, as far as we know; if we do not hear from them soon we will send a letter explaining the process.

Patching and weed-whacking has been constant due to the rains in November and December.

We've been having to do a lot of repair work on our dump trucks, they are getting old; we are not far from the point where it will be more cost-effective to get another one rather than continue repairing, particularly on the '77. We can get a used one larger than the '77 for about \$30,000.

The F-450 has gone through three transmissions; we recently installed a hydraulic cooler to extend tranny life. The truck was purchased new in 1999 and has an automatic transmission; we won't be getting another automatic. It has a wide dump bed and hauls our compressor and welder as well as

other equipment. We can probably trade it in and get a better one with a manual transmission; it's something we need to consider in the near future.

Loren suggested that the Personnel committee discuss the possibility of hiring a part-time person who could keep the cinder sales open while the crew was working on the road. He would like to see a person there regularly. Mele pointed out we would need a fully-qualified E.O. to operate the machine, and said we also need to consider raising the loading fee, as hauling the cinder down the mountain and running the loaders is getting more costly as gas prices go up.

b. Cinder Pit Camera Update – The camera is working well; we are adjusting the sensitivity and the focus area, and would like to get a larger memory card for it so we can leave it up longer. So far we have not seen anyone messing with the roll-offs or dumping cars, although we have many photos of passing vehicles, so we know it's working. Mele suggested that we consider a second camera to watch in the other direction.

VIII. COMMITTEE REPORTS

A. Administrative

1. Bylaws – Mele has the verbiage for the Bylaws Amendment to allow electronic transmission of information to those members who wish to receive it. The forms are filled out; Mary needs to sign them before they can be submitted. The letter that goes out with our statements will have a form the members can return to sign up for electronic transmission.
2. Budget & Finance – A joint committee meeting will need to be held soon.

Motion: Rell Woodward moved that a joint committee meeting be held on February 6th, beginning at 2:30 pm and preceding the regular Board Meeting. Seconded by Randy Van Leeuwen
Unanimous

3. Legal
 - a. Outside Road Work (for discussion in committee)
It might make sense to do outside work, including doing the roads in other nearby subdivisions, to make extra income that would reduce the annual assessments from the membership. However, it would require additional equipment and crew members, and a change to the bylaws (including legal opinion.) At this time we have too much of our own work to catch up on, due to the oil shortages and delays of the last two years. Much discussion will be required and we would probably need a special vote of the membership, should we eventually decide it is feasible.
4. Personnel
 - a. Desk Audits for Administrative Assistant & File Clerk – these audits can be done at any time; Mary and Loren need to agree on a time which works for them both.

B. Operations

1. Building & Equipment
 - a. Special Use Permit Information – covered in Mele’s office report.
2. Road Maintenance

Jack and Valerie have not yet had a tour of the shop or met the crew. Jack would like to do that ASAP.

 - a. Cinder - cost estimate for labor and hauling – covered in Mele’s office report.
 - b. Kamigaki Store – Lotus Blossom below Keaka will have to be widened to allow delivery trucks to turn into the entrance of the new market. We have attempted to contact the Kamigakis but have not yet heard from them. Mele will work out the costs involved and write them a letter.
3. Membership – no report
4. Safety
 - a. Commercial / Industrial Fees – to be discussed at Feb 6th joint meeting.
 - b. Truck Route Enforcement & Fine – Loren requested the approval of the Board to pursue verification of County, State and Federal Use permits and Mining permits for all cinder haulers using our roads. For safety purposes all paperwork needs to be in order, including our own.

Mele wants MINESHA to come in (similar to OSHA but for mining) to give us ideas and advice, look over our pit and ensure we comply. Glover has examined our pit as a courtesy, and says it looks fine, but she would like official verification.

Motion: Loren Heck moved that we pursue verification of permitting status and compliance, at the County, State and Federal level, of all operating cinder pits in Ocean View. Seconded by Bill Vinson.
Unanimous

Rell informed Mele that all she needed was the TMK numbers of the cinder pit properties, and she could the contact the Planning Department (Norm or Jeff) who would have the information we need on any Special Use Permits (which is all public information) and we can get copies.

- c. Bus Stop Shelters – Mele would like to work with Jack on design for bus stop shelters. We have a list of volunteers willing to do the work. She needs to contact John Saplan at the Department of Education, Student Transportation, and create an agreement which allows the school buses access to HOVE roads. They are already coming in, of course, but there has been no formal agreement. She suggests we use the Road Use Agreement we are working out with HVNP as a model; this could also be used as a model for our agreement with Pi’ikoi Kawananaoia.
- d. Driveway Runoff: Letter & Fees – Letter included in Board Packet for review. The Board will review at the committee meeting on February 6th, and make any adjustments at that time.

IX. SPECIAL ORDERS

A. UNFINISHED BUSINESS –

B. GENERAL ORDERS

1. Evacuation Routes – authorize USGS HVO to use routes

- a. Approve Road Use Agreement with HVNP – We have received a response from our lawyer with a few suggested changes, including raising the insurance limit. Mele will incorporate his changes and produce a final agreement. Mary suggested that a clause be included for reciprocal locks, so that if one party places a gate, the other party will have a key. Valerie suggested that we publish information in the OVCA newsletter about walk-in access; Mele said that it was announced after the original agreement in 2004, and we should get the agreement signed before announcing it again, in case there are negotiations and something needs to be changed. Loren requested that she put something in the OVCA newsletter indicating that we are working on it.

Motion: Loren Heck moved that the Road Use Agreement, with the changes made by the lawyer and reciprocal lock agreement, be approved for submission to the HVNP. Seconded by Rell Woodward.

Unanimous

X. NEW BUSINESS - none

XI. OPEN FORUM - none

XII. ANNOUNCEMENTS - none

XIII. ADJOURNMENT - Motion Randy Van Leeuwen moved to adjourn the January meeting. Seconded by Bill Vinson.

Unanimous.

Meeting Adjourned: at 5:30 pm on January 9, 2008.

Minutes prepared by Teddi Stransky, Recording Technician.

Approved by the Board of Directors without corrections on _____
Date

OR

Approved by the Board of Directors with corrections on _____
Date

Signed: _____, Secretary

Date: _____

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February Monthly Board Meeting Minutes
Meeting held February 6, 2008

- I. Quorum: Yes**
II. Called to Order: 4:08 pm
III. Adoption of Agenda: *Adopted*
IV. Roll Call:

- | | |
|--|---|
| ✓ Loren Heck, President | <input checked="" type="checkbox"/> Mary Kastle, Secretary |
| ✓ Ken Wicks, 1 st VP | ✓ Rell Woodward, Treasurer |
| ✓ Randy VanLeeuwen, 2 nd VP | <input checked="" type="checkbox"/> Bill Vinson, Board Member |
| ✓ Valerie Tudor, Board Member | <i>Attended by phone</i> |
| ✓ Jack Garner, Board Member | |

Meleana Smith, A & O Director; Teddi Stransky, Recording Technician

- V. Opening:** none

VI. Approval of prior Minutes:

- A. Approval of January Minutes

Motion: Randy Van Leeuwen moved that the minutes of the January Board meeting be approved as written. Seconded by Rell Woodward.

Vote: Unanimous

VII. Officer's Reports

A. **President** – No report

B. **1st Vice President** – No report

C. **2nd Vice President** – No report

D. **Treasurer** –

1. Financial Report – Mele has added a Year-to-Date column to the Treasurer's Report, to provide the Board with a more accurate overview.

2. Billing has gone out. We billed a total of \$955,080.00, assessing 10,612 properties at \$90.00 per property.

3. Each Board member received a letter from the son of one of our property owners, questioning some items in the budget and requesting further details. Loren, as President, agreed to respond to the letter, with Mele's assistance on the numbers.

E. **Secretary** – No report

F. Administrative and Operations Director**1. Administration –****a. Office Report:**

1. 2008 Billing – the office staff folded 9,584 statements and stuffed them in envelopes with the annual letter and a return envelope. We got them out a week early this year.

2. The Special Use permit has been submitted to the County. Mele talked to Norm Hyashi, who said we could have amended our existing permit. This is not what we were told when we made the original call to the County, and it would have saved us a lot of time. Mele is now amending the existing permit, with Norm's assistance.

3. The Road Use Agreement has been submitted to the National Park Service; we do not yet have a response but we are not expecting any problems.

4. The Amendment to the Bylaws (electronic transmission) which was approved in the last vote has been worded and submitted to the lawyer for approval.

5. The retainer for delinquent properties to be foreclosed, at \$1000 per property, has been sent to our lawyer. This money will be recovered in the auction. Twenty-seven properties are currently included in the auction, and we expect the discovery process to take at least 5-6 months. Properties to be auctioned must be posted, and will be published 30 days before the sale in both local papers, and a listing will be made available at the office and on the RMC website. No information will be released to any party until 30 days before the sale; by our bylaws, Board Members are not allowed to bid on these properties.

2. Operations -**a. Foreman's Report:**

1. We should be receiving another 5,000-gallon tanker of oil this week, to continue the rebuilding of the lower part of Princess Kaiulani Blvd. PK has a lot of encroachments, so the process is labor-intensive. A walking path of roughly 2.5 blocks will be constructed and lined with parking blocks for the safety of the school children who catch the buses at PK and Lotus Blossom.

2. Our Union contract expires in October; we will need to discuss and renegotiate the Union contract in June. The only thing we know of that they want to do is look at raises again, look at the annuity, and possibly add a holiday. Mele will go over items with the Board when it gets around that time.

3. Signs are being damaged at the park, during wild parties being held after hours. We had to re-install or replace eight signs last week, including broken, damaged and stolen signs. Ken said his wife is afraid to use our walking path because there are rowdy groups of people there even at 6:30 in the morning. Mele requested that anyone seeing such activities immediately call the Police. It's the only way we are going to prevent this kind of activity, which spoils the Park for other residents.

4. A couple weeks ago someone stole the warning signs from our barricades. Last week Justin was mowing when he spotted our signs in someone's yard. Mele called the police, then went to the property and waited two hours for the police to arrive. She will be pressing charges.

Randy stressed that we need to call the police whenever there are problems. Calls are logged, and the police can use their call logs to request more

officers for our area. Currently we have four officers serving Ka’u, an area larger than the island of Oahu.

5. The wind caught one of our big barricade signs and pushed it down a freshly-chipped slope; it hit a passing truck. Naturally, it was a brand-new truck; we have had to file a claim with our insurance company for repairs. The police were called. The owner is being cooperative but arranging for the repairs is awkward because he needs the truck for work.

6. Mele added “Office Complaints” to the Foreman’s Report. These are items generated by the office, either from our own observations or based on requests from our members, which have to be addressed by the crew, such as signage, patching and pothole issues. She will also be providing a monthly job-costing report, beginning next month, which will give the Board a more accurate view of what the crew is doing from day to day.

7. Maintenance and repair of our machines and vehicles is an ongoing process, there’s always something to be fixed. Randy suggested that rather than replace the odometers that have gone out in two machines we just install hour meters, which is much simpler and less costly.

8. So far the security camera has not provided any usable evidence of dumping or vandalism. We are still working the bugs out of the motion detector.

VIII. COMMITTEE REPORTS

A. Administrative

1. Bylaws – The Electronic Transmissions Bylaws change has been reviewed by the lawyer and included in the Bylaws.
2. Budget & Finance – No report
3. Legal –
 - a. Outside Road Work – the Legal Committee recommends that we refer the details of doing outside work such as driveways and the roads in Ranchos to our lawyer for an opinion on legality, within the bounds of our Bylaws, and prepare the groundwork for a Business Plan.

Motion: Rell Woodward moved that we provide the information on doing outside work to our lawyer, and proceed on the groundwork for a Business Plan.
Seconded by Randy Van Leeuwen.

Vote: Unanimous

4. Personnel
 - a. Desk Audits for Administrative Assistant & File Clerk – The committee met last week to do the Desk Audits for the File Clerk and Secretary/Receptionist. In the Secretary’s absence, Mele provided a printout on the results of the meeting and the new pay scale. It was agreed that the employees in both the reviewed positions were doing much more than their current job descriptions and were past due for position upgrades and raises. It was decided that the raises would not be made retroactive to the employees’ actual review dates, which were in August and October of last year, respectively.

Motion: Rell Woodward moved that the Board accept the committee recommendations for both employees reviewed. Seconded by Randy Van Leeuwen.

Vote: Unanimous

B. Operations

1. Building & Equipment
 - a. Special Use Permit Information – Minor modifications are required, then the final will be sent for review.
2. Road Maintenance
 - a. Cinder – Mele provided a cost estimate for the time, labor and hauling involved in bringing cinder down from our pit, piling it, and loading it for residents. The Board discussed hiring additional help and raising the loading fee, based on the costs incurred. It was decided that the item be tabled for future discussion, as enforcement of the 20-yard limit (per lot per month) has just been implemented and may change the quantities we have to handle.
 - b. Kamigaki Store – letter to Kamigaki regarding widening of Lotus Blossom; the committee recommends that the letter be sent as written, minus the last sentence in the first paragraph.

Motion: Rell Woodward moved that the letter be edited and sent to the Kamigakis. Seconded by Jack Garner.

Vote: Unanimous

3. Membership – no report
4. Safety
 - a. Commercial / Industrial Fees – The committee discussed several possibilities for increasing revenue, including assessing ‘per acre’ rather than ‘per lot’ (eliminating the ‘consolidated lot’ perk), and examining properties with Special Use permits that impact road use (commercial properties) for compliance with our bylaws and with the limits of their own permits.

Motion: Rell Woodward moved that the items discussed be investigated and considered for implementation. Seconded by Valerie Tudor.

Vote: Unanimous

- b. Truck Route Enforcement & Fines – The committee suggested that the Board should review the existing letter concerning truck route compliance.

Motion: Rell Woodward moved that the letter be reviewed by the Board at the next meeting. Seconded by Ken Wicks.

Vote: Unanimous

- c. Bus Stop Shelters – No recommendation. Mele and Jack Garner will meet this month to discuss a design for shelters for school children waiting for the bus.
 - d. Driveway Runoff: Letter & Fees – The committee recommends that Loren and Mele establish fines and collaborate on a letter to be sent to residents whose driveways consistently deposit debris on the road during storms. The costs for cleanup are repetitive and all owners should not have to bear the burden for the infractions of a few.

Motion: Rell Woodward moved that Mele and Loren determine fees and create a letter to be sent to the appropriate residents. Seconded by Ken Wicks.

Vote: Unanimous

- e. Jack Garner said that it was reported to him that our crew members are standing up in the back of the trucks, leaning on the cab, while the vehicles are in motion. This is not safe. Mele said she would talk to Mac and have him tell the crew to sit when they are in the back of the trucks.

IX. SPECIAL ORDERS

- A. UNFINISHED BUSINESS –
- B. GENERAL ORDERS

- 1. Evacuation Routes – authorize USGS HVO to use our routes
 - a. Approve Road Use Agreement update

X. NEW BUSINESS - none

XI. OPEN FORUM - none

XII. ANNOUNCEMENTS - none

XIII. ADJOURNMENT - Motion Randy Van Leeuwen moved to adjourn the January meeting. Seconded by Ken Wicks.

Unanimous.

Meeting Adjourned: at 4:54 pm on February 6, 2008.

Minutes prepared by Teddi Stransky, Recording Technician.

Approved by the Board of Directors without corrections on _____ Date

OR

Approved by the Board of Directors with corrections on _____ Date

Signed: _____, Secretary

Date: _____

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March Monthly Board Meeting Minutes Meeting held March 5, 2008

I. Quorum: Yes

II. Called to Order: 4:07 pm

III. Adoption of Agenda: Mele asked that Mike DuBois of Big Island Scrap Metal be moved to the top of the agenda, to facilitate his report. All agreed.

IV: Roll Call:

- | | |
|--|--|
| ✓ Loren Heck, President | ✓ Mary Kastle, Secretary |
| ✓ Ken Wicks, 1 st VP | × Rell Woodward, Treasurer |
| ✓ Randy VanLeeuwen, 2 nd VP | ✓ Bill Vinson, Board Member |
| ✓ Jack Garner, Board Member | ✓ Valerie Tudor, Board Member <i>Attended by phone</i> |

Meleana Smith, A & O Director; Teddi Stransky, Recording Technician

Guests: Mike DuBois, Carl “Zeke” Piszczek, Tim Charles, Duke Bourgoin

V. Opening: Mike DuBois addressed the Board about the upcoming Junk Vehicle Removal project. Big Island Scrap Metal currently has contracts with the County to receive scrap metal island-wide, to be processed and recycled. They have recently purchased tow trucks to remove vehicles and metal scrap from neighborhoods, subdivisions and properties all around the island, at no cost.

There are conditions: The items must be accessible, must not have trash in them, and must not be leaking fluids. They must also be in good enough condition that they can be pulled from the property without falling apart. Metal appliances are included. This is a great opportunity to clean up our community. They hope to schedule the Ocean View and Naalehu areas for a two-week period, at the end of April and beginning of May. They will come in with loaders, forklifts, flatbed semis and tow trucks, and a crusher to flatten the roofs of the vehicles for loading. Each truck will haul 20 cars at a time. They will also have the capability of dismantling larger vehicles to be removed piecemeal.

Before the actual event, they need to locate the items to be picked up, and get permission from the owners of the items or the owners of the properties to remove it.

There are flyers up around the community; we have sign-up sheets here at the office, and they are receiving calls daily.

They are also looking for volunteers with pickup trucks who can assist their neighbors in moving items like appliances and small scrap to the designated processing area. David Baglow has offered a lot in a convenient location which may be used for the processing; the paved part of the RMC baseyard is also being considered as an alternative.

They need help identifying places where there are vehicles to be removed, particularly large concentrations of vehicles. Mike has been canvassing the area and has spoken with several owners who are happy about the opportunity, but has no way to determine who owns some of the properties. Our office is willing to help with that as much as possible.

Mike also asked if the RMC would be willing to donate some time and large equipment to help extricate junk vehicles from areas their tow trucks cannot reach. The Board stressed that permission and waivers would be required for us to enter private property in any way. Mike said that signed waivers and permission forms would be acquired before any action was taken.

Loren asked what was being done with the scrap. Mike gave a brief history of Big Island Scrap Metal's progress in reducing the huge piles of scrap metal and derelict vehicles left behind by the previous county contractor. They are now in a position to start taking in new scrap, after over two years of catch-up. They developed their current plan in conjunction with the County, and the metal is being recycled, baled and sold; for the first time the County is actually showing a profit on its recycling project.

The Ocean View area is scheduled for a two-week window, possibly a bit longer, so the more that can be arranged in advance, the better. Property owners will need to sign waivers for items to be removed from their properties.

Motion: Loren Heck moved that the Road Maintenance Corporation assist Big Island Scrap Metal in locating and contacting property owners, as well as with equipment and labor to help in removal of scrap in less accessible areas, and short-term access to space at our baseyard if needed. Seconded by Randy Van Leeuwen.

Vote: Unanimous

VI. Approval of prior Minutes:

- A. Approval of February Minutes

Motion: Randy Van Leeuwen moved that the minutes of the January Board meeting be approved as written. Seconded by Ken Wicks.

Vote: Unanimous

VII. Officer's Reports

- A. **President** – No report
- B. **1st Vice President** – No report
- C. **2nd Vice President** – No report
- D. **Treasurer** – Rell was not present. Mele asked if there were any questions; Loren queried item 18 (fuel diesel oil), not understanding why it would be zero in January and \$7,000.00 in February. Mele explained that we did not purchase fuel in January as we had it on-site, but needed to replenish our tank in February. Loren then asked about line item 45 (insurance). She explained that insurance (including WorkComp and TDI) is quoted on an annual basis, but we normally receive a refund at the end of each year. It is higher than last year due to market fluctuation. He then questioned the Office wages, which showed January as \$8,000 and February as \$4,000. Mele explained how the amounts were entered into the system, and that the second payroll period for February

had not yet been applied, since payroll was just last week and the payroll system was separate from the General Ledger system and had to be entered manually.

Mele also pointed out that the ‘Professional Services’ item (line 59) is high because of the retainer paid to the lawyer for processing of foreclosures. That money will be recovered by the Corporation in the process of the foreclosure action, but has to be carried on the books for the interim.

E. Secretary – No report

F. Administrative and Operations Director

1. *Administration* –

The Special Permit is done. Each Board member has a packet detailing the documents Mele has been working on.

2. *Operations* -

a. Foreman’s Report –

Most of the crew has been working on Princess Kaiulani. The fog sealing, requiring another tanker of oil, will be done in April. The part-time workers have been keeping up with weed whacking and shoulder maintenance.

There are only 20 vehicles left to be removed up in the Cinder Pit area. All the scrap metal and glass has been cleaned up. Once everything has been removed we will block the lower part of the road to discourage dumping. No Dumping signs and Camera Surveillance signs have been ordered and will be posted as soon as received.

This entire section of the road will have to be graded down 40-60 feet and rebuilt, due to poor mining practices in the cinder pits on either side, so the road will be closed for an extended time. Cinder haulers will still have access from the upper intersection; detour signs will be posted.

Motion: Jack Garner moved that Mahimahi be blocked between Lurline & Liliana, once the area is cleared. Seconded by Randy VanLeeuwen.

Vote: Unanimous

The Board asked for details of the walking path along PK for the school kids. The path will run from below Orchid down to Hawaii Blvd. on Princess Kaiulani, on the mauka side of the road, and will be lined with parking bumpers to protect the children, similar to the walking path around Paradise Circle.

Motion: Bill Vinson moved that the walking path be constructed as described. Seconded by Ken Wicks.

Vote: Unanimous

Loren asked about the daily job costing report. Mele has created the form and gathered preliminary information; she will be meeting with the crew on Monday to explain the purposes of the new report and how to fill it out. A copy of the report will be included in the Board packet starting with next month’s meeting.

Jack Garner asked if a motion had ever been made to approve the purchase of hour meters for the three machines which had broken odometers, since odometers are complicated and expensive to replace.

Motion: Jack Garner moved that three electronic hour meters be purchased.
 Seconded by Ken Wicks.

Vote: Unanimous

Mele mentioned to the Board again that we would soon be facing the purchase of a new dump truck to replace the 31-year-old International dump. In the meantime, new tires were needed for the '77 International, '90 Peterbilt and '80 Mac trucks. She provided bids from R & G Tires (\$12,243.00) and K & J Tires (\$11,224.72), covering 24 rear tires and 6 front tires. These tires should last 3-4 years. Ron's Tire Service comes out and replaces all the tires for \$325.00.

Motion: Randy VanLeeuwen moved that replacement tires for the big trucks be purchased from K & J Tire Center, at a cost of \$11,224.72. Seconded by Bill Vinson.

Vote: Unanimous

VIII. COMMITTEE REPORTS

A. Administrative

1. Bylaws – A new copy of the Bylaws, incorporating the “Electronic Transmission” changes and Mary Kastle’s Signature, was provided to each member of the Board.
2. Budget & Finance – No Report
3. Legal – Copies of the recommendation from our lawyer pertaining to doing driveways and outside road work were provided to the Board. At some point the Board will have to meet with Sogi if they wish to discuss the possibility of forming a separate for-profit corporation to provide these services to the community.

The Board does not expect Mele to do a Business Plan for this purpose. An outside person will be hired to do the Business Plan. Mele asked that that person be required to sign a Confidentiality and Non-Disclosure Agreement; the Board agreed.

Loren asked how we handle encroachments as we are widening the roads. Mele explained that each lot owner along the road to be widened receives a letter well in advance, notifying them of the upcoming work. If there are encroachments, the owner is notified and requested to remove them. If the owner does not comply, the encroachments are removed during the process of the work, and if excessive time is required to do so, the owner is charged an hourly fee of \$125.00 for labor and equipment.

4. Personnel – No Report

A joint committee meeting was scheduled for the Legal, Personnel, Road Maintenance and Safety Committees, at 3:00 pm on April 2nd, preceding the Board Meeting. Valerie hopes to be back in Hawaii by then.

B. Operations

1. Building & Equipment – The amended Special Use Permit has been sent to Norm Hyashi of the Planning Commission. Mele is waiting to hear back from them. In the meantime all affected property owners (properties within 500 feet of our lots) must be legally notified, and the required signage must be placed. The signs have been ordered and the office staff is working on the letters.

Rell located a copy of the Special Use Permit for our original cinder pits. The newer cinder lots were included in that permit; however, a document referred to in the paperwork has not yet been located. Recordkeeping in this office was very poor in the early days, and we fear the document may be lost; it is referred to as an “unrecorded document,” so we won’t be able to get a copy from the BoC. We do have the option of getting affidavits from community members who have been here since the early days, and who can vouch that our cinder properties were in operation prior to 1967. Mele will speak to Jeff Darrow to see if we need to do anything further to ensure all our permits are in order.

Mele recommended that a volume survey be done of our cinder pits, to determine the actual volume of cinder we have available for the community. She will investigate the process and get a cost estimate to bring to the Board.

Mele has acquired maps and Special Use Permit information from the Planning Commission for the entire cinder pit area, and for the shopping center areas near the highway, for our files.

2. Road Maintenance – 25 sets of speed humps have been ordered, at a cost of \$15,375.42. This price included the signage required for each hump as well as fastening materials and a three-year warranty. They will be placed in 24 locations around the subdivision. Several property owners have requested that the humps be placed near their properties, and have agreed to report to us how they affect the traffic problems they are concerned about. Mele has videos and training materials for the crew to show them how to properly install the humps. The Road Maintenance committee will discuss locations at the upcoming joint committee meeting. Mele requested that some be placed on Aloha and on Lurline near the pits.
3. Membership – no report
4. Safety – The problems last month with signs being damaged or stolen has abated after calls to the police, and the discovery of a number of our signs on one individual’s property. Loren mentioned buying another security camera; Mele agreed and said Mac would like to have two up at the pit area and at least two at the shop. In order for photos to be admissible in court, signs have to be posted informing people of the cameras ... and the signs are being taken as fast as we post them. A second camera might help us identify who is stealing our signage. Loren suggested that we move our existing camera to different areas, including the area around the park, as needed. Considerable discussion ensued.

Motion: Randy VanLeeuwen moved that additional surveillance cameras be purchased along with the appropriate signage.

Seconded by Bill Vinson.

Vote: Unanimous

Ken asked how many bus shelters would be built. Mele said it was yet to be determined as she had not heard back from John Saplan; it is required that we coordinate this with the Board of Education. Jack Garner said that the shelters should be four posts and a roof, with a bench or benches for the kids to sit on. Mele said in Puna the shelters were constructed like Hawaiian-style huts.

IX. SPECIAL ORDERS

- A. UNFINISHED BUSINESS – Mele needs nominations for the Board and any information, photos or articles from the Board Members for the upcoming Newsletter. We will start working on the newsletter in June, it will be mailed out in July.
- B. GENERAL ORDERS

X. NEW BUSINESS - none

XI. OPEN FORUM – Member Duke Burgoin introduced himself to the Board and offered his services as a Business Consultant to the Board. He is also an attorney but does not wish to do legal work. Loren asked if was able to do Business Plans and he said he had experience.

XII. ANNOUNCEMENTS - none

XIII. ADJOURNMENT - Motion Randy Van Leeuwen moved to adjourn the January meeting. Seconded by Ken Wicks.
Unanimous.

Meeting Adjourned: at 4:54 pm on March 5, 2008.

Minutes prepared by Teddi Stransky, Recording Technician.

Approved by the Board of Directors without corrections on _____
Date

OR

Approved by the Board of Directors with corrections on _____
Date

Signed: _____, Secretary

Date: _____

ADDENDUM TO THE MINUTES OF MARCH 5, 2008

Rell Woodward, who was not able to be present at the meeting, provided the following statement to be appended to section VIII:B in a memo dated 3/25/08:

“I have spoken extensively with Jeff Darrow, one of the senior planners at the planning dept. about getting our house in order before we start going after the bad actors in the cinder business. We do not have, and have never had a special permit to operate a cinder pit, and that is because the cinder pit came into operation in about 1962, before zoning and the associated regulations were enacted in Hawaii. Because there have been no complaints about our operation, and because enforcement is so lax, we have never been questioned on the issue.

“We can be "grandfathered" if we can find documents that state the cinder pit has been in operation prior to the zoning ordinances (1967), or if we can get signed affidavits from local people who worked at or lived near the pit stating that the pit has been in continuous operation prior to 1967.

“Jeff Darrow and the planning dept. staff are very much on our side. They will do whatever they can to help us.”

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April Monthly Board Meeting Minutes Meeting held April 2, 2008

I. QUORUM – yes

II. CALL MEETING TO ORDER

The meeting was called to order at 4:07 pm on Wednesday, April 2, 2008.

III. ADOPTION OF AGENDA

The A & O Director requested, as time was of the essence, that two items be added to the agenda:

Bereavement Leave for Kristyn Haina to be added as item VII:A:4:a and

Replacement for F-450 Dump Truck to be added as item VIII:B:1:b

Motion: Rell Woodward moved that the agenda be amended as requested. Seconded by Ken Wicks.

Unanimous

IV. ROLL CALL

- | | |
|--|-----------------------------|
| ✓ Loren Heck, President | ✓ Mary Kastle, Secretary |
| ✓ Ken Wicks, 1 st VP | ✓ Rell Woodward, Treasurer |
| ✓ Randy VanLeeuwen, 2 nd VP | ✓ Bill Vinson, Board Member |
| ✓ Valerie Tudor, Board Member | <i>Attended by phone</i> |
| <input type="checkbox"/> Jack Garner, Board Member | |

Meleana Smith, A & O Director, Teddi Stransky, Recording Technician

V. OPENING – none

VI. APPROVAL OF PRIOR MINUTES

Motion: Randy Van Leeuwen moved that the March 2008 minutes be approved as presented, including addendum from Rell Woodward. Seconded by Ken Wicks.

Unanimous

VII. OFFICER'S REPORTS

A. President – no report

B. 1st Vice President – no report

- C. 2nd Vice President – no report
- D. Treasurer
 - 1. Financial Report – as presented; no questions
- E. Secretary – Mary reminded Rell & Randy they need to collect signatures to be placed on the ballot if they wish to remain on the Board, as their terms are set to expire this year.
- F. Administration & Operations Director
 - 1. Administration
 - a. Office Report

2003 books are still being audited, no discrepancies have been reported. The Notice of Delinquency and Intent to Lien letter will go out in a week; right now we still have payments coming in.

The Special Use Permit process has generated a request from the Solid Waste Division for further information; Mele will be sending them the info they need. Jeff Darrow says the permit looks good and is going smoothly.

We are still waiting for a response from HVNP on the Road Use Agreement to allow emergency evacuation access to park roads.

Our attorney has finished recording all the foreclosures and will start serving the parties affected; once all services have been performed the auction will be scheduled. We will be performing a survey next week to mark abandoned vehicles along our roadways, for removal during the County cleanup scheduled for the end of April. The crew has received a tanker of oil and will be fog sealing the next two blocks on PK Blvd., then proceeding with driveway aprons and pothole repair.

The speed humps have arrived in port and we will be picking them up on April 3. We need to determine placement; some locations have already been chosen. A Safety Committee meeting was scheduled for 3:00 on May 7th, before the monthly meeting.
 - 2. Operations
 - a. Foreman's Report

VIII. COMMITTEE REPORTS

- A. Administrative
 - 1. Bylaws – no report
 - 2. Budget & Finance – no report
 - 3. Legal
 - a. Outside Road Work

Motion: Mary Kastle moved that Mele and Valerie should work together to develop a business plan for doing driveway work in HOVE. Seconded by Rell Woodward.

Unanimous
 - 4. Personnel
 - a. Union Contract Renewal

Mary and Loren will meet with the Union Representatives.
 - b. Bereavement Leave

Motion: Rell Woodward moved that Kristyn be given three paid days of bereavement leave following the death of her mother. Future similar situations will be handled on an individual basis. Seconded by Bill Vinson.

Unanimous

B. Operations

1. Building & Equipment

a. Special Permit for HOVE RMC Cinder Pit Area

Rell Woodward stated that there has never been a Special Use Permit for our cinder pit, as it was established and in operation for years before zoning and permits were established in 1967. Anything continuously in operation prior to the enactment of the zoning laws was grandfathered, and there are several people in the subdivision who can sign affidavits that our two original cinder acres have been in operation since 1962. The additional three acres which were purchased in 1992 were also being mined prior to the time of our purchase. Rell will speak to Jeff Darrow at the Planning Commission to find out if we need to take any other action besides providing affidavits of continuous use, and to learn if there is any particular wording which should be used on the affidavit.

b. Replacement of F-450 Dump

Motion: Rell Woodward moved that Randy Van Leeuwen, Chair of the Building and Equipment Committee, consult with Mele on finding a replacement for the F-450 dump truck, and purchase a suitable replacement when found. Seconded by Ken Wicks.

Unanimous

2. Road Maintenance

a. Cinder loading fee

The cost of transporting cinder down from the pit to the baseyard for member pickup has increased considerably with the rise in fuel prices.

Motion: Randy VanLeeuwen moved that the loading fee for a yard of cinder for HOVE residents be raised to seven dollars, and for non-resident to ten dollars, to cover increased expenses. The change will go into effect on May 1st. Seconded by Ken Wicks.

Unanimous

3. Membership – no report

4. Safety

The speed humps will arrive on island tomorrow; the Safety Committee will discuss appropriate locations at the Committee Meeting on May 7th and make recommendations to the Board.

Bill Vinson asked if we ordered warning signs for the speed humps when we ordered the humps themselves. Mele said yes, that “Speed Hump Ahead” signs were included with the package; the signs would be placed when the humps were installed. They are white with red lettering, reflective and highly visible. These are “humps” not “bumps;” low and wide, and will not cause any damage if gone over at a reasonable speed..

a. Commercial / Industrial Fees

1. Follow up on Special Permits on Commercial/Industrial Properties
Tabled for Safety Committee Meeting on 5/7/08

b. Truck Route Enforcement & Fines

Tabled for Safety Committee Meeting on 5/7/08

- c. Bus Stop Shelters
Tabled for Safety Committee Meeting on 5/7/08

IX. SPECIAL ORDERS

- X. A. UNFINISHED BUSINESS - none**
- B. GENERAL ORDERS - none**

XI. NEW BUSINESS –

Mele spoke to Rick Ward, the Emergency Preparedness Coordinator for Ocean View, about the evacuation routes. In a case where the bottom half of the subdivision was blocked due to a natural disaster, we would be able to use exits through Hawaii Volcanoes National Park (north) or Manuka Park (west). He recommended that we add a clause in our Road Use Agreement with Pi‘ikoi Kawanakoa that, in the case of a natural disaster, we would have access through his property to Manuka. The Board agreed that this was an excellent idea. Most of these roads require 4WD vehicles, so this is a last resort escape route.

Mele is also working with the Park on access through the top of Kailua Blvd. using the usual ‘ranch lock’ arrangement where everyone who has legal access has their own lock.

We have not heard from Mr. Kawanakoa’s lawyer yet; it has been a couple of months, so Mele will be drawing up a Road Use Agreement based on the one we are doing for National Park System. Based on the previous agreement, he is paying assessments on two properties he owns in Ocean View; he has agreed verbally to pay on a total of nine properties.

- XII. OPEN FORUM - none**
- XIII. ANNOUNCEMENTS - none**
- XIV. ADJOURNMENT –**

Motion Randy Van Leeuwen moved to adjourn the April meeting. Seconded by Ken Wicks.
Unanimous.

Meeting Adjourned: at 4:48pm on April 7, 2008.

Minutes prepared by Teddi Stransky, Recording Technician.

Approved by the Board of Directors without corrections on _____
Date

OR

Approved by the Board of Directors with corrections on _____
Date

Signed: _____, Secretary

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**May Monthly Board Meeting Minutes
Meeting held May 7, 2008**

I. QUORUM – yes

II. CALL MEETING TO ORDER

The meeting was called to order at 4:08 pm on Wednesday, May 7, 2008.

III. ADOPTION OF AGENDA

The A & O Director requested the question of voting and assessments on consolidated lots be added to the agenda under Bylaws. All Approved.

IV. ROLL CALL

- | | |
|--|-----------------------------|
| ✓ Loren Heck, President | ✓ Mary Kastle, Secretary |
| ✓ Ken Wicks, 1 st VP | ✓ Rell Woodward, Treasurer |
| ✓ Randy VanLeeuwen, 2 nd VP | ✓ Bill Vinson, Board Member |
| ✓ Valerie Tudor, Board Member | <i>Attended by phone</i> |
| ✓ Jack Garner, Board Member | |

Meleana Smith, A & O Director, Teddi Stransky, Recording Technician

V. OPENING – none

VI. APPROVAL OF PRIOR MINUTES

The Secretary requested that a clarification be made to the minutes: the motion shown in Item VIII:A:3:a should read “Mele and Valerie,” not “she and Valerie.”
Motion: Rell Woodward moved that the April 2008 minutes be approved as clarified. Seconded by Jack Garner.

Unanimous

VII. OFFICER’S REPORTS

- A. President – no report
- B. 1st Vice President – no report
- C. 2nd Vice President – no report
- D. Treasurer – financial report as presented.
- E. Secretary – no report.

F. Administration & Operations Director

1. Administration

a. Office Report

Teddi's Notary commission has expired because the Attorney General's office apparently lost her renewal. After three weeks of daily phone calls, the forms finally arrived today, have been re-done and notarized, and will be sent to the AG's office again tomorrow (Certified mail, return receipt this time). Hopefully they will expedite the renewal.

Removal of derelict vehicles by Big Island Scrap Metal has been postponed until June; although we have not been able to contact Mike DuBois, a resident called today who had just spoken to him, and gave Teddi the information. This gives us more time to collect signed forms from residents who want cars removed.

We have four new "security cameras" which will be placed in strategic areas. The pit area is now cleaned up, so that camera will be moved down to the Park for a while.

We have received numerous leads on the spray-paint vandalism of our signs and various private properties around the area, including the names and home locations of the perpetrators. The Police are working on it; we will file charges as soon as they complete their investigation.

2. Operations

a. Foreman's Report

Princess Kaiulani is almost completed from King Kamehameha to Hawaii Blvd; we are working on the last section. The section above this, which was damaged last month by someone who moved our barricades while the surface was still wet, has been repaired. It is not as smooth as we would wish, but we cannot afford to rip it out and do it over, at a cost of around \$30,000.00.

The Planning Commission Meeting to assess our Special Use Permit for the baseyard and office is being held tomorrow in Hilo. Loren will attend; Mele provided him with all the information he might need. There were two people who contested the SUP; one withdrew her filing after getting further information on our plans. The other filer is planning to build a house nearby, and wants assurance that we will address the dust issue. We water down our cinder piles daily; we will also be putting up a dust buffer and a row of fast-growing ironwood pines as soon as our fence is in. Rell said the Planning Director has recommended approval and there should not be a problem.

We have been doing a lot of patching, widening and fog sealing, along with safety painting. A crew member went out with a map and marked all the derelict vehicles along our roadways so Big Island Scrap Metal can come and get them.

Odometers: Byron can repair one of them and is looking for a replacement. Mele told them to get hour meters, as approved by the board, but they wanted to try to repair.

The 440B needs a new turbocharger, and the big Mac dump needs new tires (10). The old mower has been giving us a lot of problems, and is constantly in need of repair. Mele is checking on some used one which were apparently returned to the dealer on Oahu by Hokulia. She will report back to the board with any information.

Mele explained the new job-costing sheet to the board; it should give them a more accurate idea of exactly what the crew is doing.

VIII. COMMITTEE REPORTS

A. Administrative

1. Bylaws
 - a. Consolidated Lots – It has been recommended by the Bylaws committee that a clarification be made to Bylaws Article 1.3, Definitions, to define “lot” as “1-acre parcels as shown on the original plat maps.” Consolidated lot will be charged road assessments per acre; the assessment for consolidated lots needs to be discussed.

Loren requested a vote, approval was unanimous.

2. Budget & Finance – no report
3. Legal
 - a. Outside Road Work
Tabled - Valerie and Mele will have a proposal ready next month.
4. Personnel
 - a. Union Contract Renewal
The Union Contract will be up for renewal in June. The Personnel Committee recommends that Labor Day be approved as a regular holiday for the crew, and that the annuity be raised by five cents per hour (to \$1.00), to be effective for the next three years; and that the recommended cost-of-living increase should be approved. Mary and Loren will meet with the Union Representatives in July.

Loren requested a vote, approval was unanimous.

B. Operations

1. Building & Equipment
 - a. Vehicle Purchase – Mele has been shopping around the country for a dump truck to replace the F-450, which keeps catching on fire. Dave Smith Motors in Idaho is offering the best truck at the best price, including shipping; the truck is also available immediately. Price includes a ten-year / 100,000-mile full power train warranty, standard Jake brakes and a 4-door cab. Local sources are priced about \$2,200

higher, with a six-month delay before delivery. Randy recommended that we have the higher walls put on the dump bed, to be the same height as the tailgate, and allow for 6 cu. yd. capacity.

Motion: Randy VanLeeuwen moved that the corporation purchase the truck from Dave Smith Motors in Idaho, at a price of \$58,164.00, plus a reasonable charge for the higher sided bed. Seconded by Rell Woodward.

Unanimous

2. Road Maintenance
3. Membership – 2008-2009 Newsletter – Mele and Rell need to get together soon on the budget and road plan for 2009. All input for the newsletter needs to be together by the first of July. Loren will be leaving for the mainland on May 28th; a meeting of the Membership and Budget committees was therefore scheduled for Tuesday, May 27th, at 9:30 am.
4. Safety –
 - a. Commercial and Industrial Properties – Mele says this will take a full meeting to discuss, as there are many commercial properties in Ocean View which may or may not have greater impact on the roads than residential properties. Special assessments will have to be discussed and established.
 1. Affidavits for Cinder Pit – in order to get our cinder operation ‘grandfathered’ we need to collect signatures from people who have been in the subdivision since the beginning, to verify that the original developers were mining those acres. An affidavit form has been drawn up for them to sign. Rell suggested that the phrase ‘early 60s’ be replaced with the specific date of December 12, 1962. We will start collecting signatures as soon as our Notary is re-commissioned.
 - b. Truck Route enforcement and fines. We are still having enforcement issues. The office sends out letters to firms which are positively identified as running on the wrong roads; we try to maintain a record of current insurance on trucks using our roads, but have no way to force compliance.
 - c. School Bus Shelters – Mele provided a map indicating proposed locations for school bus stops and shelters in Ocean View. She and John Saplan of the School Board worked out appropriate locations based on the number of kids and their locations. We will be seeking input from property owners who may be affected; the shelters will be on the road easement, but we do not want to put them where they are not wanted. Mele will write a letter and include a copy of the map.

- d. Speed Hump locations – the Safety Committee discussed the placement of speed humps, taking into consideration requests from community members and known problem areas where there is a consistent problem with people speeding and running stop signs. For a trial run, speed humps will be placed on Cocanut before Iolani, on Ginger Blossom at Aloha, at the four-way stops at Hawaii and Aloha, King Kam and Aloha, PK and King Kam, Tiki on either side of Walaka, and PK on either side of Lotus Blossom, and one on Aloha at Pineapple.

Motion: Mary Kastle moved that the Board accept the recommendations of the committee, and place speed humps in the indicated places as a test run. Seconded by Ken Wicks.
Unanimous

IX. SPECIAL ORDERS

X. A. UNFINISHED BUSINESS - none

B. GENERAL ORDERS –

1. County of Hawaii Properties – Mele needs prior approval to contact the lawyer on this subject.

Motion: Rell Woodward moved that Mele contact our attorney with regard to the County’s non-payment of road maintenance assessments on numerous lots (a total of 72 acres) which they own in the subdivision: first, can we collect for back assessments, and second, if they do not pay, can we lien and foreclose on these properties if the assessments are not paid. Seconded by Randy VanLeeuwen.

Unanimous

2. The hearing to determine approval of our Special permit tomorrow (5/8/08) at the Aupuni Center in Hilo. Loren is attending, well-armed with information from Mele. Mele requested that Loren consider picking up the tires for our trailer, which are available for pickup at T&J tires. He said he would be glad to, if time permitted.

3. Aloha Broadband proposal: Elton has requested permission to put up a broadband repeater at our shop location, which has a clear ‘view’ of several areas in the subdivision which do not have broadband coverage. In return for allowing him the space he will provide our broadband service at the office at no charge, including hosting of our website. (We are already using his company for these services, for approx. \$100/month.)

Motion Rell Woodward moved that the board should agree to allow positioning of a broadband repeater at the HOVERMC baseyard for the benefit of the community, in exchange for cost-free broadband service and web hosting for the corporation, to include installation of services at the shop and at our new office when it is constructed. Seconded by Bill Vinson.

Unanimous.

- XI. NEW BUSINESS - none
- XII. OPEN FORUM - none
- XIII. ANNOUNCEMENTS - none
- XIV. ADJOURNMENT –

Motion Randy Van Leeuwen moved to adjourn the May meeting. Seconded by Rell Woodward.
Unanimous.

Meeting Adjourned: at 5:15 pm on May 7, 2008.

Minutes prepared by Teddi Stransky, Recording Technician.

- Approved by the Board of Directors without corrections on _____.
Date
- OR**
- Approved by the Board of Directors with corrections on _____.
Date

Signed: _____, Secretary

Date: _____

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June Monthly Board Meeting Minutes Meeting held June 4, 2008

I. QUORUM – yes

II. CALL MEETING TO ORDER

The meeting was called to order at 4:06 pm on Wednesday, June 4, 2008.

III. ADOPTION OF AGENDA

Motion: Randy Van Leeuwen moved that the June 2008 agenda be adopted as presented. Seconded by Rell Woodward.

Unanimous

IV. ROLL CALL

✗ Loren Heck, President	✓ Mary Kastle, Secretary
✓ Ken Wicks, 1 st VP	✓ Rell Woodward, Treasurer
✓ Randy VanLeeuwen, 2 nd VP	✗ Bill Vinson, Board Member
✓ Valerie Tudor, Board Member	<i>Attended by phone</i>
✓ Jack Garner, Board Member	

Meleana Smith, A & O Director, Teddi Stransky, Recording Technician

V. OPENING –

Guest: Peter Lubke – Peter has lived in Ocean View for 14 years and has a home up on Aloha Boulevard. His concern involves the allowable times of operation for the cinder haulers. Trucks are not supposed to enter the subdivision until 7:00 am, which would bring them up past his house no earlier than 7:15. Trucks are going past his place at 6:30 am, running uphill empty (very noisy) at high rates of speed.

His primary concern is that his wife and many others are driving their kids to school at that time. He has talked to many of the truck drivers; some are compliant and are not a problem, but in general the drivers for Big Island Aggregate are violating the times of operation continuously, and are consistently discourteous. He asked if the Road Corps is allowed to issue fines, or if the police can ticket offenders for not obeying the time constraints.

Community Policing Officer Dane Shibuya responded that the police can enforce all the County and State traffic laws within the subdivision, but cannot enforce rules established by the Corporation, as they are not laws. Mr. Lubke said that since this is a private subdivision, persons not obeying the rules should be ticketable as trespassers, but Ofcr. Shibuya explained that, although the subdivision is private, the roads are not. To establish private roads we would have to gate the community; HOVRanchos' attempt to establish even one gate has shown that such a move would not garner the support of the residents, and would prove both costly and futile. Randy asked if the times were posted on the signs at the bottom of each entrance road; they are not.

Rell Woodward commented that several of the cinder operators are operating outside of their permits, and we may be able to approach enforcement from that angle. We are already working with the Planning Department on other issues. Given the unfortunate lack of police presence in Ocean View, since they are so short-handed, we can't expect the Police to spend time on non-enforceable issues.

Mr. Lubke pointed out that it is disturbing the peace, and it should be ticketable on those grounds, and that the truckers are consistently speeding when going uphill empty; a speeding ticket is a serious offense on a CDL license; a few days of enforcement might be effective.

Mele said that she had recently written them a letter requesting that they obey the requested times of operation, and that if they continued to ignore them, the police would be called, and that haulers who were not property owners would not be allowed in the subdivision.

Mr. Lubke then brought up that B.I. Agg. was also allowing motocross bikes and ATVs to run in the pits on weekends. He stated that there are twenty or thirty bikes up there at any given time over the weekend; it is a very dangerous area, and it's unlikely that permits would be given for such activity. Bikers were banned from the National Park area above the subdivision because they were doing so much damage to native plants and bird nesting sites; they need a safe place to ride.

Mele asked Ofcr. Shibuya if it might be effective to put a petition in our newsletter asking for more police officers for Ocean View. Currently we have two officers patrolling 11,500 acres and 157 miles of road, and they are often called away to other parts of the district since the Ka'u Police are so short-handed. He said it certainly couldn't hurt to bring more attention to the situation, and that we could contact the Chief and the Mayor with the same request.

VI. APPROVAL OF PRIOR MINUTES

Motion: Randy Van Leeuwen moved that the May 2008 minutes be approved as written. Seconded by Jack Garner.

Unanimous

VII. OFFICER'S REPORTS

- A. President – the President is off-island
- B. 1st Vice President – no report
- C. 2nd Vice President – no report

D. Treasurer – All information in Board Packet; if any questions ask Mele.

Mele reported that our investment package has recovered ... last month it was down about 20% but Sita moved some of our investments to the international market and it has come back up.

Our attorney is now recording and serving the foreclosure documents. Once that process is completed, we will be able to proceed with the auction.

Aloha Broadband has installed their repeater on our baseyard property and we are now receiving free broadband service and website hosting for the office.

Big Island Scrap Metal has said they will start processing and removing derelict vehicles on Monday. We are donating a free load of cinder for the area where they will be doing the crushing, on the site of the old South Point Restaurant. They will be accepting all types of scrap metal at the same location, on the bottom of Tiki Lane near the highway. They should be here for about a month as they have at least 800 vehicles to be removed.

West Coast Towing has started a car baling operation up on Lurline between Lei & Ohia. They apparently do not have any permits. Mele will speak to James Isa of the Solid Waste Division to find out if this is a legitimate operation.

E. Secretary – no report.

F. Administration & Operations Director

1. Administration

a. Office Report

Mele and Kris will be starting the Road Survey the third week in June. In addition to the usual road data, they will also be mapping the telephone and electric lines, and helping with this year's 'dwelling count.' George Wallace did the last one in 2006; now OVDC is taking over the responsibility. Rell will find out which areas have not yet been assigned to volunteers.

The crew has been working on driveway aprons, and will be fog-sealing the bottom of PK next week. They will start installing the speed humps the third week in June, after they have watched the instructional videos. While the crew is working on those projects, Mac will be up on Leilani doing prep for rebuild. There are many encroachments in that area so the whole process will take a couple of months.

Locations for bus stops have been established, and the crew will be clearing, paving and striping the shoulder area to make a safe space for the kids.

2. Operations

a. Foreman's Report

The night of May 30th, 25 of our stop and street signs were run down, affecting 18 intersections. We made a police report but received little response; we know who did it and are gathering evidence. There are a couple of witnesses but they don't want to testify; we have asked them to call Crime Stoppers and leave anonymous statements. The vehicle used has been identified as well, and the front plate from that vehicle was found wrapped around the base of one of the downed stop signs. The officer assigned to the case has not been responding to our

calls; Mele spoke to our Community officer about it as well. Randy suggested that she put everything in writing so the police would have to respond. Mele said she would do that. The cost to the corporation for this vandalism has been over \$2,000.00.

The '77 International dump is having engine trouble again, and has been sent to Wally Young in Na'alehu for repairs. The new Dodge dump is on order, and will arrive at Kawaihae Harbor in about 2 months.

Randy said that NAPA carries the hour meters we need, they are called Hobbs' hour meters; if they are out of them, Truck Parts Hawaii also carries them. Mele said she would order them.

Rell reported that he and Robin Lamson visited with Pat Englehart, who is the Director of Parks and Rec. Robin has contacted a guy who has to do some Community Service time, and owns a D-9 Cat. He said he would grade a parking area on the County property near the park for the cost of the fuel; Mr. Englehart agreed to allow use of one acre of County property for this purpose, and to move the location of the projected "Multi-purpose Center" to the other side of the new parking lot, so they could share the same parking lot. Hopefully the County will also pave the parking lot once graded, but Robin asked, should the County fail to do so, if we could pave it. He will have more information in the future.

VIII. COMMITTEE REPORTS

A. Administrative

1. Bylaws – no report
2. Budget & Finance – Rell and the Budget Committee went over the new budget in great detail; Mele had a few changes and additions, including reducing the amount we pay for vehicle insurance, and the Directors' and Officers' Liability package is slightly higher. The completed document is included in the Committee Report package. Rell said that the budget for next year is lower than this year's, and as of May 30th, we have spent less than half of this year's budget, despite the rises in costs, particularly in oil prices. Our biggest reduction is in "Professional Services," as the audits of past years are nearly complete.

Cinder sales are going well; even with the price increase due to rising fuel costs, residents are very happy to be able to purchase cinder.

Motion: Rell Woodward moved that the Budget for 2009 be approved.

Seconded by Jack Garner.

Unanimous

Since our budget for 2009 is lower and cinder income is helping cover rising costs, the Committee suggested that the 2009 assessment be kept at \$90.00.

Motion: Rell Woodward moved that the Assessment for 2009 be kept at \$90.00. Seconded by Randy Van Leeuwen.

Unanimous

3. Legal

a. Outside Road Work

Over recent years there have been more and more requests from property owners for chip-sealed driveways, as well as requests from nearby subdivisions that we pave their roads, particularly Ranchos. The legal issues on this have never been entirely clear. A recent opinion from our lawyer Jim Sogi indicated that it would most likely be allowable for us to do driveways within HOVE on a contract basis, because it would constitute an improvement to the roads, to have driveways that were not spewing rocks and debris on the road surface. Mr. Sogi is on vacation right now, but it appears that an addition to the Articles of Incorporation would be required. Such an addition would require 75% approval of those who vote either by mail, by proxy or in person at the annual meeting. Rell noted that the Articles define what the Road Maintenance Corporation can and cannot do, while the Bylaws set up the governance; that is, how we run the Corporation. The cleanest way to make this change, if we want to do so, is through an amendment to the Articles.

Rell has drafted an addition to Article Seven, adding Paragraph Nine, to enable the Corporation to perform work on other road systems and driveways on a contract basis, to generate income, all of which will be used to reduce future assessments for HOVE Road Maintenance shareholders. The individuals or corporations receiving such service will pay for all materials, labor, equipment costs, and any additional liability insurance required, plus a fee to HOVE Road Maintenance Corporation. That fee will initially be 15% of all the aforementioned expenses. This fee can be changed as needed by vote of a majority of the Board of Directors.

This change will give us the option to do such work, and will clarify the legality of it, but does not stipulate that we 'have to' do outside work at any time.

Randy said he thought it would be difficult to determine up front 15% of the cost per job, and would be simpler to handle on a square-foot bid basis, as each job would be different. Rell pointed out that it would always be an estimate, and that if we actually decided to go ahead with the idea, we would have to look into the costing process more carefully. The Amendment to the Articles at this time would allow us to go ahead with it when and if we decide to do so. At this time we have more than enough to do on our own roads for the next several years.

Mele pointed out that this was hashed over twelve years ago, and that the members voted to allow such work, but that the legal issues proved too complex and the vote was rescinded at the next year's meeting. There was also the possibility that the only way to legally do work outside the subdivision would be to form a separate, for-profit corporation. Rell said he would be happy to talk to Jim Sogi and work

out the details to determine if the whole idea is worthwhile; Ken suggested that more than one person should attend the meeting.

Randy commented that we should concentrate on the HOVE subdivision and providing a variety of services here, before branching out to work for others. We would not have to form a new corporation if we only provided services for our own members. We have older equipment that is too slow for the roads but would be fine for doing driveways; very little, if any, new equipment would have to be purchased.

Mele noted that while earning additional income could reduce the annual assessments, the Bylaws mandate a minimum assessment of \$60.00. However, if there were excess profits, it could be distributed to shareholders at the end of the year. Teddi added that the board should remember that more workers would have to be hired, and Ken pointed out that the office staff would also have to be increased to deal with the additional bookkeeping.

Rell also advised that we should put a notice in the upcoming newsletter that we are ‘anticipating’ being able to do chip-seal driveways for residents in Ocean View Estates on a contract basis. The cost to owners would include administrative costs, labor, materials, liability coverage, and any additional expenses incurred, plus 15%. Randy suggested it was not necessary to spell out all the details before we have really had a chance to work it out, but to just make an announcement that we were anticipating being able to do this in the near future at a cost as yet to be determined.

Motion: Rell Woodward moved that, as per Article 7, Section A of the Bylaws, the Road Maintenance Corporation has the ability to chipseal private driveways within the HOVE subdivision on a contract basis; cost to the lot owner will be the cost of material, labor, equipment, liability insurance and administrative costs, plus 15 percent as a fee to the RMC. The 15% fee can be changed as needed by a majority vote of the Board of Directors. Seconded by Jack Garner

Unanimous

Rell recommended that Mele contact Jim Sogi after he returns from vacation on the 9th to arrange an appointment for Rell and another Board Member to meet with him regarding outside road work; a phone conference would be fine.

Mele did speak to Mr. Sogi about charging the County assessments on the vacant properties they own in the subdivision. He said they are owners like anyone else and that we had the right to assess, but since the former Office Manager was marking the County properties “paid” without ever sending them billings or receiving payment, we can only pursue back payments that were actually billed (since 2004; roughly \$35,000.00). Mele gave him the paperwork we had available and he

looked it over; he said we need to locate a copy of the document in which the developer deeded the properties to the County in the first place (in the late 50s), to discover the terms of the deeds.

Motion: Rell Woodward moved that Mele ask Lawyer Sogi if he will take the case for recovery of these past-due monies from the County on a contingency basis, for 1/3 of the amount recovered. Seconded by Jack Garner.

Unanimous

4. Personnel
 - a. Union Contract Renewal
 1. Contract signed as proposed.
- B. Operations
1. Building & Equipment
 - a. Vehicle Purchase Update – Dave Smith Motors (in Idaho, not Utah) can't get the bed which was to be mounted on the truck, and it would cost much more to have it shipped over and installed separately. Therefore, we are purchasing the vehicle through Windward Dodge in Oahu. They can provide the entire package, assembled and warranted, for \$62,000 including shipping and maintenance contract.
 2. Road Maintenance
 - a. 2009 Road Plan

Mary suggested that, since we are behind on the 2007-2008 Road Plans due to oil costs and unavailability, we simply continue working on those plans through 2009. Adding more to the schedule would not be realistic, considering the ongoing volatility of the oil business. The Board agreed that was the most sensible approach.
- Motion:** Rell Woodward moved that the 2009 Road Plan should be a continuation of the existing, uncompleted Road Plans.
Seconded by Randy VanLeeuwen.
- Unanimous**
3. Membership – 2008-2009 Newsletter
 - a. Newsletter update and additions

Rell has submitted an article on the vog situation for the newsletter; Teddi edited it to a suitable length. Teddi will also write a brief article outlining the recommended process for maintaining catchment water.
 4. Safety
 - a. Commercial/Industrial Fees (set committee date)
 - b. Truck Route Enforcement & Fines (set committee date)
 - c. Bus stops
 1. Assigned Bus Stops & Shelters – John Saplan has sent us a map with proposed locations for the bus stops and shelters. Mele outlined the locations. Several have already been cleared, paved and striped, all we need to do is erect the shelters; others will

require more work. All locations will be off the highway. Most of them will be located near Speed Humps.

IX. SPECIAL ORDERS

X. A. UNFINISHED BUSINESS

1. Hearing for Special Permit

Loren attended the hearing and all went smoothly; our Special Use Permit has been granted and we can now proceed with construction of the new Office and Equipment shed.

B. GENERAL ORDERS – none

XI. NEW BUSINESS – Mele told the Board about a two-day Grant-Writing seminar which would be held in Hilo on the 23rd and 24th of June. She and Teddi would like to attend, if the Corporation could sponsor them. This is valuable training that would be useful to the entire community as well as the Corporation, as there are only a few grant writers on the island and they are all badly overbooked. The cost per person is \$425.00; it is being run by Grant Writing USA, a nationally-known and accredited group. Mele & Teddi would cover their own expenses for gas, food and lodging if the Corporation could pay for the classes.

Motion: Randy VanLeeuwen moved that the Board approve tuition for Mele and Teddi to attend the two-day Grant Writing Seminar. Seconded by Jack Garner.

Unanimous

XII. OPEN FORUM - none

XIII. ANNOUNCEMENTS - none

XIV. ADJOURNMENT –

Motion Randy Van Leeuwen moved to adjourn the June meeting. Seconded by Rell Woodward.

Unanimous.

Meeting Adjourned: at 5:45 pm on June 4, 2008.

Minutes prepared by Teddi Stransky, Recording Technician.

Approved by the Board of Directors without corrections on _____
Date

OR

Approved by the Board of Directors with corrections on _____
Date

Signed: _____, Secretary

Date: _____

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**July Monthly Board Meeting Minutes
Meeting held July 2, 2008**

I. QUORUM – yes

II. CALL MEETING TO ORDER

The meeting was called to order at 4:11 pm on Wednesday, July 2, 2008.

III. ADOPTION OF AGENDA

The July 2008 agenda was adopted as presented.

IV. ROLL CALL

✓ Loren Heck, President	✓ Mary Kastle, Secretary
✗ Ken Wicks, 1 st VP	✓ Rell Woodward, Treasurer
✓ Randy VanLeeuwen, 2 nd VP	✓ Bill Vinson, Board Member
✓ Valerie Tudor, Board Member	✓ Jack Garner, Board Member

Meleana Smith, A & O Director, Teddi Stransky, Recording Technician

V. OPENING – none

VI. APPROVAL OF PRIOR MINUTES

Motion: Mary Kastle moved that the June 2008 minutes be approved as written.

Seconded by Valerie Tudor.

Unanimous

VII. OFFICER'S REPORTS

A. President – the President enjoyed his vacation and is ready to go back to work.

B. 1st Vice President – absent

C. 2nd Vice President – no report

D. Treasurer – All information in Board Packet; if any questions ask Mele.

E. Secretary – no report.

F. Administration & Operations Director

1. Administration

a. Office Report

2003 books are almost done; 2007 taxes are nearly complete; should be ready to sign in about 2 weeks.

While in the process of doing the semiannual road survey, Mele, Kris and Madison were able to assist with the OVCD's Dwelling Survey. This survey is important to the Road Corp as well as the community; we need accurate information on the number of people (and therefore vehicles) using our roads, and where the highest population densities are in the subdivision, in order to keep up with maintenance in the appropriate areas.

All foreclosure notices have been served and we are now getting requests for settlement agreements.

Big Island Scrap Metal has been removing junk cars from the subdivision, they have collected over five hundred and will be continuing for another couple of weeks. West Coast Towing, which has a contract with the County Environmental Waste Management Division to remove abandoned vehicles in coordination with the police, has opened an illegal junkyard near the top of the subdivision on Lurline. They have no permits; they have a crusher and are baling the crushed vehicles. Mele has made a complaint to the Solid Waste Division in Honolulu, and to James Isa of the Environmental Waste Management Division, but no action has been taken as yet. Rell advised her to contact the Planning Department immediately and talk to Horace at the Kona office, or to Jeff Darrow or Norm Hyashi in Hilo; they now have two investigators on this side of the island. They will need a written complaint and can issue a Cease and Desist order.

Mele has been sending our building plans to different architects and builders, and is gathering quotes for construction of our office building.

Princess Kaiulani is completed except for the reflectors. Mele has rearranged the road crew's schedules so that each man is scheduled for a specific job on every day, and crews are assembled in a logical manner.

Road oil (CRS-1) is now \$6.50 a gallon and our last 4,800-gallon tanker load cost \$37,000 with freight and delivery.

Mac is currently widening the final areas for the school bus loading zones; we need to pave and stripe them, put in speed humps and all the proper signage for the safety of the school kids, and then we can start working on the shelters. With the help of the School Board, the stops are located so that there will be about 50 kids per location; currently there are nearly 200 catching the bus at the park. Mele is hoping that we can put full-width speed humps at those locations, for the protection of the children.

On Monday Mele and Kris assisted the crew in doing the layout for installation of speed humps. The first ones were installed at Aloha and

Hawaii, but it became apparent very quickly that the fastening system which was recommended to us by the manufacturer (4" pins in sleeves) was not going to work with our unique ground conditions. As cars went across them, the 'pins' began to pull loose. Mele has contacted the manufacturer and they recommend a longer pin with a hook. These are 10" long and cost \$6.00 apiece; there are 32 of them fastening each hump, so it would be a considerable additional expense. The board discussed alternative methods, such as epoxy, for fastening the humps. The chevron lines have been painted and all the appropriate markings done; they observed the results and most people did slow down, but several people went around them (into the oncoming lane).

Because we are on a long weekend and the crew will not be working tomorrow, Mele had them remove the humps so there would be no problems over the weekend.

Dennis Muse of the Etnyre Corporation came from the mainland for a retraining session for the crew in the use of the big oiler and the chip spreader we purchased from Etnyre several years ago. There was no charge for this retraining. We then had Bart come in from Honolulu; he represents the company from whom we purchase road oil. He held a training class for the crew to teach them how to detect problems with the oil when it arrives, rather than learning too late (as happened a few months back) that we'd received a defective batch. Because we accepted the defective oil and used it, he could not refund our purchase, however he came over to spend a day training our crew to recognize potential problems before accepting the shipment.

2. Operations

a. Foreman's Report

Work will start on Leilani next week. The road will have to be stripped and moved over about 10 feet; it was way off center when originally laid out long ago, and we now have to opportunity to correct that.

We received the hour meters for the trucks last week and will be installing them ASAP; we have also purchased gauges for our two diesel tanks so we can tell when we need to order more without one of the crew having to climb up on top of the tank.

Mowing and weedwhacking will now be done by grid section, rather than moving the equipment from place to place when we get calls or complaints.

The 77 International and the Peterbilt are both down and at the mechanic's shop for repairs; they are just old. The 77 should be back next week but the Peterbilt is more serious. When the new truck comes in one of them will be put on light duty.

VIII. COMMITTEE REPORTS

A. Administrative

1. Bylaws – Loren asked if the wording for the consolidated-lot assessment had been finalized for the newsletter. Mele told him it was done at the last meeting and was in the minutes.

2. Budget & Finance

1. Foreclosure Settlements

A particular lot owner has been a problem for many years; he has not paid a road assessment since he bought the property in June of 1994. We liened the property in 2004, sent him a First Notice of Foreclosure in 2006 and a Second Notice of foreclosure in 2007; his only response was to tell us to stop threatening him, claiming we had no right to foreclose. We have sent him copies of the Bylaws and Court Order. The property was sent to our lawyer to begin foreclosure proceedings in October of 2007.

This individual has now approached our lawyer with an offer to pay \$10.00 a month. This seems inadequate, considering his past record; even if he was faithful with his payments, it would take over ten years to bring the account current since assessments and finance charges would continue to accrue.

Rell pointed out that when the Board decided to go ahead with foreclosures, it was also decided that once a property went to the lawyer, the Board would not negotiate. If his attorney wants to try to reach an agreement with our attorney, that's fine, but the Board will not reconsider.

Additionally, some new information has come to light. The statute of limitations on liens is ten years, which is why we renew our liens every decade. However, Mr. Sogi has now informed us that the statute of limitations is six years on unpaid debts, so we may not be able to collect on past due amounts which accrued prior to 1998, six years before our lien.

The Board advised that we proceed with foreclosure, and collect as much of the past due as we can, within the law; let the lawyers work it out.

The second case is an individual, who owns several Ocean View properties. He is what is known in the business as a 'flipper', that is, he purchases properties when prices are low, sells them when prices are high, and frequently forecloses when the buyers are unable to make their monthly payments. He says that he is not liable for unpaid assessments because they should have been paid by the (failed) buyer; however it is in our Bylaws that the debt follows the property, and accrues to the new owner if it is not paid through escrow.

Motion: Rell Woodward moved that, as per the motion made some months ago, we will not negotiate on any property once it has gone to foreclosure. We have been in contact with these individuals, we have offered them payment plans and made every effort to work with them, and they have refused our offers. Seconded by Randy Van Leeuwen.

Unanimous

3. Legal

- a. Outside Road Work – Valerie Tudor has just returned from the mainland and she and Mele have not had an opportunity to get together on this. They will report to the Board at the next meeting. Rell made a motion at the June meeting that “per Article 7, Section A of the Bylaws, the Road Maintenance Corporation has the ability to chipseal private driveways within the HOVE subdivision on a contract basis; cost to the lot owner will be the cost of material, labor, equipment, liability insurance and administrative costs, plus 15 percent as a fee to the RMC. The 15% fee can be changed as needed by a majority vote of the Board of Directors.” Mele said she had not yet contacted lawyer Sogi about the issue; Loren suggested that we put it in the newsletter, as putting out the information did not obligate us to perform any service if legal advice is to the contrary. Rell said he had sent Mele information in an e-mail that we could use for wording the proposal.

Motion: Rell Woodward moved that language regarding the change be put included in the newsletter and put to a vote. Seconded by Valerie Tudor.

Unanimous

b. County of Hawaii Property -

Our lawyer has been very busy with foreclosures and with family problems, and Mele has been tied up doing the road survey and managing all the other tasks recently assigned to her. They have not yet been in contact on this issue.

4. Personnel – no report

B. Operations

1. Building & Equipment

- a. Mele has received the first quote in response to her Request for Proposal on the drafting of our office building. The bidder is proposing \$8,000 not including the Architectural Stamp, which will cost another \$500 to \$800. She explained to the Board that, since this was a commercial building rather than a residence, the plan was more involved, due to requirements for handicapped parking and restroom accessibility, commercial septic, and so on.

Loren asked how things were going with our old mower, and if the Board had approved the purchase of a newer one. Mele said it broke down again yesterday but the crew had repaired it and it was back on the road, and they were managing. The Board did discuss getting a new mower last year, but the ones we found were so costly it was dropped without ever being approved. Mele recently contacted American Machinery, who told her there was a group of used ones that had been leased by the Hokulia project, and were now sitting on a lot in Honolulu. The Board requested that she look into the used ones and get quotes on some new ones

2. Road Maintenance – no report

3. Membership – 2008-2009 Newsletter

a. Newsletter update and additions

The newsletter is in process; Mele handed out a copy of what we have so far. She is working on her Office Report and Road Report; the Budget is done. Teddi has written and placed several articles as requested. We have the Budget ready to paste up; we need Loren's letter. Rell mentioned the Post Office article and gave us a couple of updates.

The 2009 Road Plan is composed of the items which were not completed in 2006 and 2007 due to problems with acquiring oil. It will still have to be voted on by the membership.

Mary would like the ballot rearranged in such a way that the name/address/# of lots label would be on the part of the ballot that must be returned ... too many people are tearing it off, and without that label, their votes are worthless.

Valerie would like to see the "how to vote" section revised for greater clarity. Teddi requested that Valerie do the revision, as she has re-written it every year for 5 years and has run out of ideas.

Loren asked that we take photos of all the cars being moved out of the subdivision and write a brief article. Mele said she would be taking photos of the bus stop areas, the speed humps, and other new developments, like she does every year.

The OVCA wishes to place a single-sheet insert our newsletter; we have weighed it and it will not increase our postage. In return they will provide volunteers to help us fold the newsletter and get it ready to send out. Jack showed a copy of the flyer to the Board.

Motion: Mary Kastle moved that the OVCA flyer be accepted, as having help folding and processing the newsletter will save

the RMC staff a lot of man-hours. Seconded by Rell Woodward.

Unanimous

Loren asked if he could nominate a person for the Board, even though it was past the July 1 deadline. The Bylaws give the Board the right to appoint a Board Member at any time, and since we have the time and space to do so, putting the new nominee in the newsletter for a vote only made sense. The staff provided Loren with the paperwork to be filled out and asked that he return it by the following day, with the needed bio information.

The office has compiled a list of persons who have been in the subdivision for many years, who might be willing to sign an affidavit for the grandfathering of our older cinder lots into the existing Special Use Permit. As soon as the Attorney General's office returns Teddi's notary paperwork we will start contacting them.

4. Safety

- a. Commercial / Industrial Fees (postponed)
- b. Truck Route Enforcement & Fines (postponed)
- c. Speed Humps – we have received the speed humps and are working on the signage and installation issues. Because we are installing them on chip sealed roadways we need to come up with a solution to the pins loosening up. We will probably purchase more speed humps after testing these out for a while.

Bill Vinson suggested cutting narrow trenches across the road and putting in strips of concrete, then setting the pin sleeves in the concrete. This may be a good alternative solution.

Motion: Loren Heck moved that the Office be approved to purchase up to 50 more speed humps if they are needed. Seconded by Bill Vinson.

Unanimous

d. Bus stops

- 1. Bus Stop Shelters – as the OVCA did not want a bus stop near the Community Building, the proposed location has been moved to Tree Fern and Leilani Circle (upper side) near the tsunami siren. There is a flat area there which would be much safer for the kids. We will need to put in speed humps there, as with the other bus stops.

IX. SPECIAL ORDERS

X. A. UNFINISHED BUSINESS

B. GENERAL ORDERS – none

XI. NEW BUSINESS –

XII. OPEN FORUM - none

XIII. ANNOUNCEMENTS - none

XIV. ADJOURNMENT –

Motion Rell Woodward moved to adjourn the July meeting. Seconded by Bill Vinson.

Unanimous.

Meeting Adjourned: at 5:47 pm on July 2, 2008.

Minutes prepared by Teddi Stransky, Recording Technician.

Approved by the Board of Directors without corrections on _____.
Date

OR

Approved by the Board of Directors with corrections on _____.
Date

Signed: _____, Secretary

Date: _____

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**August Monthly Board Meeting Minutes
Meeting held August 6, 2008**

I. QUORUM – yes

II. CALL MEETING TO ORDER

The meeting was called to order at 4:10 pm on Wednesday, August 6, 2008.

III. ADOPTION OF AGENDA

Loren requested that some items be added to the agenda. Under VIII:B:4, add item (e.) Speed Humps. He also pointed out that the item to be discussed in VIII:B:4:d should be handled in Executive Session; these items were accordingly moved to .

IV. ROLL CALL

✓ Loren Heck, President	✗ Mary Kastle, Secretary
✓ Ken Wicks, 1 st VP	✓ Rell Woodward, Treasurer
✓ Randy VanLeeuwen, 2 nd VP	✗ Bill Vinson, Board Member
✓ Valerie Tudor, Board Member	✓ Jack Garner, Board Member

Meleana Smith, A & O Director, Teddi Stransky, Recording Technician

V. OPENING – none

VI. APPROVAL OF PRIOR MINUTES

Loren pointed out that it was improper procedure to use names in the minutes when discussing problems with individual owners. Teddi agreed to make needed changes to protect the privacy of the individuals.

Motion: Loren Heck requested a vote that the Minutes of the July meeting be approved as amended.

Unanimous

VII. OFFICER'S REPORTS

A. President – Loren noted that although the Board packets were available several days before the meeting, when he picked his up the day before, they were all still in the bins. He requested that the office notify the board by e-

mail (and Valerie by phone) when the packets were ready, in hopes that board members would pick them up ahead of time.

The President then introduced prospective Board Member Stephen Sampson. He recommended that Steve be appointed by the Board to serve out the last two months of Eleanor Shannon's term; he is currently on the ballot for the upcoming election. Should he be elected, this would give him a 'running start' in getting acquainted with the issues and procedures of the Board.

Motion: Rell Woodward moved that Stephen Sampson be appointed to fill the current vacancy on the Board. Seconded by Valerie Tudor.

Unanimous

- B. 1st Vice President – Ken reported that he is feeling much better and hopes to be more active with the Board in the future.
- C. 2nd Vice President – no report
- D. Treasurer – All information is in the Board Packet; we are on budget and expenditures in the first two quarters were kept low. Cinder sales have been helpful. If any questions ask Mele.

Valerie asked why we do not focus more time on cinder sales. Rell and Mele explained that we try to do cinder sales as often as possible, but when the crew needs to be on the road with the equipment, we can't do cinder at the same time. Cinder sales were established as a convenience to our members and a source of additional income, but we cannot let it interfere with the work that needs to be done on the roads.

Mele informed the Board that assessments are coming in more slowly than last usual. At this time we have not yet reached 75%; probably due to the crisis in the economy.

- E. Secretary – Mary Kastle was absent due to a death in the family
- F. Administration & Operations Director

1. Administration

a. Office Report

2007 taxes are being reviewed by our accountant and should be ready to sign soon.

Renelle from the auditor's office has informed Mele that there are items in the General Ledger for 2003 that she is having trouble with. Apparently the previous office staff was still doing things incorrectly at that time, and Mele will now have to go back and research the entire year.

The case for the sign damage in May has gone to the prosecuting attorney. The individual who smashed all 25 signs has admitted to five, and Officer Freeman is going to go ahead with the case. Although a couple of residents say that the person in question told them he had smashed all the signs, they are not willing to appear in court. The office has an internal incident report as well as the police report, and all the damage has been documented; Mele has sent the prosecuting attorney copies of all our traffic codes and information. A court date has not yet been set.

Mele has been in contact with Robin Lamson about putting up cameras near the park to determine who is vandalizing signage there, which is currently occurring virtually every weekend. They are trying to determine appropriate placement; possible sites have been discussed. The Board has already approved the purchase of another camera; she suggests looking into a more appropriate one for this area. There are almost always people at the park and the area is in constant motion; a motion-detecting camera such as we use elsewhere would not be very useful. We may be able to find a camera that will take a shot every minute, or some other logical time interval.

A Big Island towing company is operating a car-crushing business at the top of the subdivision; they are bringing in derelict vehicles from other areas to crush, and at the present time are operating illegally. In addition, they are leaving glass all over the roads, and have apparently dropped no less than seven engine blocks in the middle of our roads, although they deny this. They are also bringing in huge container trucks to haul out the crushed cars; they are in the subdivision before 7:00 and we have been getting noise complaints. Mele has asked the operator to get proper permits, and has made a formal complaint to the Solid Waste Division offices on Oahu requesting a cease-and-desist order from them; we do not know if they have taken any action. She will be submitting a formal complaint to the Planning Department as well, also requesting a cease-and-desist order.

The 2008-2009 newsletter is at the printer. Sadly, the man who has printed our newsletter for years has become extremely ill, but he said he still wanted the job. There was not time to find another printer, as they would have to order stock for the job from Honolulu, which would take over a month to arrive; our printer already ordered the stock and has it on hand. He says he can still do the work, but we may not get the finished product until the end of August, which is very close to our last-minute mailing deadline. We will have volunteers from the OVCA to help us with the final assembly and mailing. At this time we have no choice but to hope for the best. It looks like we will have to find another printer for next year. Rell suggested Julia in Pahala, who produces the Ka'u Calendar, but that is a web press (newsprint) publication and we will need to find out if they can do sheet-fed as well. They apparently also have a litho press, as they are going to be producing the next annual HOVE Directory. Teddi will call Julia to chat. Another possibility is Wayne's Printing in Kealahou.

Leilani Parkway is being worked on. Mac has excavated and widened the dead end and the first block coming down to Aloha. The whole road has to be moved over, so a lot of excavation will be required. Oil is scheduled for the third week in August and then it will be striped and the signs replaced. Leilani should be finished by the end of the month, but may run over into the first week in September. Once that is done we will be moving into section H to do patching and fog sealing. There is not much rebuild to be done in this quarter so we will not require large amounts of material and oil. Mele is going to schedule

driveway aprons in September, by then we should have SS1 oil available. The crew will only do ones on the list, unless there is one right next door that is eroding the roadway; we need to get the list whittled down.

Bus stops: We originally had chosen Aloha and King Kam as a bus stop and had cleared space on the corner, but it had to be moved for safety reasons and was relocated to Iolani and Sea Breeze. Others are at Aloha and Hula, Hawaii and PK, PK and Lotus Blossom, Moana and King Kam, Kahuku Park, and Leilani Circle Mauka. Most of these already have signage and have been widened, they are ready for paving and striping. Iolani and Sea Breeze was a last-minute change and will have to be widened, paved and signage installed. We will be ordering more speed humps for the bus stop areas, at the recommendation of the Board.

Mele recommends 10MPH signs for the School Bus Stops; they cost about \$25 apiece; 18 signs will be required. She has been studying the Federal Traffic Standards signage manual, and many of our older signs are not placed correctly. Some are too close to the road, some are too close to intersections; placement of Speed Limit signs is erratic. It all needs to be standardized so we have a pattern we can stick to. We will not have to buy a bunch of new signs, just relocate the ones we have.

People are constantly running the stop sign where Princess Kaiulani meets Hawaii Blvd; Ken Wicks, who lives near that intersection, says 9 out of 10 vehicles do not stop. When we get in the next batch of speed humps, we will be placing one in that location.

2. Operations

a. Foreman's Report

Valerie questioned the entry on "Office Complaints," asking if people actually came in and told us about problems with the road. This happens constantly and is very valuable to the Corporation; we can't be everywhere and see everything. When stop signs are knocked down or potholes form, particularly in areas where there are fewer people and less traffic, we have no way to know about it quickly unless someone informs us. People who live in the area want the stop signs in place, and appreciate it when we respond quickly to their requests for repairs. The watchfulness of Ocean View residents is one of our greatest assets.

We have been working on the bus stops this last month, and doing patching and mowing. The hour meters have been installed on the equipment with broken odometers, and we bought and installed gauges on our two diesel tanks so we can keep track of usage and know when to buy fuel without one of the crew having to climb to the tops of the tanks.

We've had problems with both of our dump trucks and they have had to go to Wally for repairs. One has been returned, the other is still at Wally's.

VIII. COMMITTEE REPORTS

A. Administrative

1. Bylaws – no report
2. Budget & Finance
3. Legal
 - a. Outside Road Work – to Committee Meeting Sept. 3, 3:00
The packet contains background information for review at the Committee Meeting
 - b. County of Hawaii Property – in trying to recover back assessments for the CoH properties, we cannot go back more than six years (statute of limitations). Mele recommends that the lawyer go through the process of establishing that the amounts are due. Mr. Sogi says he will not do this on a contingency basis, indicating he does not think we can recover amounts past the last 6 years. We will probably be able to collect on the more recent amounts, and establish that the County is responsible for assessments on the properties they own.
Rell said our first step should be to contact the Corporation Council, give them our information and ask for a recommendation. Since our claim has been denied by the government, we can take it to the Board of Appeals. This process is similar to small claims court.
4. Personnel - no report

B. Operations

1. Building & Equipment – Mele is taking bids for the drawing of our building plan. She called the Building Department and it is not required that the same contractor do both buildings, or that the plans be submitted together. She has requested that the contractor with whom we have an agreement go ahead and get started on the equipment building, but has not yet heard back from him.
Rell said the Rancho RMC Board has a new member who does architectural drawing and building plans. He will get the guy's contact information and e-mail it to Mele.
Mowers – Mele has been looking at the specs on each mower and getting quotes. She considered and rejected the idea of a boom mower; our need for that kind of trimming is small and the booms are costly. She is looking for a rotary cutter with an enclosed cab and a chains below the mower deck to deter rocks from being thrown off the blades. She showed the board one model which would meet our needs. All the models have bulletproof glass to protect the driver from rocks, and air conditioning to keep him from roasting in the enclosed space. There are two vendors here on the island who sell such machinery. She is looking for a compromise between horsepower and price, and should have more quotes by the date of the Committee Meeting.
2. Road Maintenance – no report
3. Membership – no report
4. Safety
 - a. Commercial / Industrial Fees – to Committee Meeting Sept. 3, 3:00
 - b. Truck Route Enforcement & Fines – The Board was given copies of letters sent to trucking infractions. Albert Yoshida, a Safety Officer

from the Department of Transportation, has been out here tagging trucks for infractions, which should be very helpful.

- c. Bus stops
 - 1. Shelters – Mele will get with Jack, who has some ideas for modifications to improve the design. We may be able to get a grant through one of the local 501(c)3 organizations to cover the costs of the bus shelters, since we have not had a lot of donations.
- d. Cinder Pit Area – not discussed
- e. Speed Humps – Mele suggests that we should post 10 mph Speed Limit signs for the speed humps. She feels that it could be a liability issue. The cost would be over our discretionary fund limit and must be approved by the Board. The Board discussed it and decided that the existing signage is sufficient, since the whole subdivision is 25mph. Loren asked for a motion to purchase the signs; no motion was made and the item was tabled.

Speed humps and appropriate signage for the school bus stops was also discussed; we need to ensure that the proper signage is in place on both sides. The School Board has added a couple of bus stops which we had not anticipated and we need more humps and signs.

Motion: Rell Woodward moved that the school bus stop areas were our top priority and additional speed humps and signs should be purchased to complete the project. Seconded by Valerie Tudor.

Unanimous

The President said that after observing the results, the rumble strips we have been putting in are not effective; we need to have speed humps on both lanes. People are swerving into the opposite lane to avoid the speed humps, and creating a greater problem. After some discussion, the Board agreed that wherever we have speed humps, they need to be on both sides of the road.

Motion: Loren Heck moved that the rumble strips be discontinued and speed humps placed on both sides of the road.

No Second

Further discussion ensued and Mele informed the Board that the cost of placing full-width speed humps on all intersections which currently have single-lane humps would be an additional \$40,000 to \$50,000. She explained that there are six sections to each single-lane hump on boulevards; each piece costs \$135.00. The Board decided that we should proceed with what we have on order, doing both sides, and evaluate performance. They requested that Mele work out priorities for placement, finish those with the order already made, and do an analysis on the effectiveness. The Board feels that placement of humps in all lanes at 4-way stops (boulevards) is the next priority after the

school bus loading zone areas. Mele said she could return the rumble bumps currently on order to the manufacturer for a refund.

Motion: Rell Woodward moved that the crew should proceed with the supplies on hand and currently on order, and use them in the high-priority areas, placing them across the full width of the street. Lower priority areas will be held in abeyance until an evaluation can be done, at which time we can order more if and as needed. Seconded by Valerie Tudor.

Unanimous

Mele just got a quote for 116 more sections at \$19 – 20,000.

IX. SPECIAL ORDERS

X. A. UNFINISHED BUSINESS

B. GENERAL ORDERS

1. Grant writing procedures – We now have two grant-writers in the office; Loren requested that anything being done on office time should be approved ahead of time. He suggested that we might try to raise some money, under the 501(c)3 of the Community Association, to help with bus shelters for the kids, as donations so far have been small and we cannot use RMC funds for the project.

XI. NEW BUSINESS – none

XII. OPEN FORUM - none

XIII. ANNOUNCEMENTS – none

XIV. EXECUTIVE SESSION – The Board went into Executive Session at 5:53pm.
The Executive Session ended at 6:00pm.

XV. ADJOURNMENT –

Motion Rell Woodward moved to adjourn the August meeting. Seconded by Valerie Tudor.

Unanimous.

Meeting Adjourned: at 6:01 pm on August 6, 2008.

Minutes prepared by Teddi Stransky, Recording Technician.

Approved by the Board of Directors without corrections on _____
Date

OR

Approved by the Board of Directors with corrections on _____
Date

Signed: _____, Secretary

Date: _____

H.O.V.E. Road Maintenance Corporation
PO Box 6227
Ocean View, HI 96737
(808) 929-9910 Fax (808) 929-9623
Toll Free: 866-241-7294
Email: office@hoveroad.com
www.hoveroad.com

September Monthly Board Meeting Minutes Meeting held September 3, 2008

I. QUORUM – yes

II. CALL MEETING TO ORDER

The meeting was called to order at 4:01 pm on Wednesday, September 3, 2008.

III. ADOPTION OF AGENDA

A request from Alohabroadband was added to “New Business.”

IV. ROLL CALL

✓ Loren Heck, President	✗ Mary Kastle, Secretary
✓ Ken Wicks, 1 st VP	✓ Rell Woodward, Treasurer
✗ Randy VanLeeuwen, 2 nd VP	✓ Bill Vinson, Board Member
✓ Valerie Tudor, Board Member	✓ Jack Garner, Board Member
✓ Stephen Sampson, Board Member	

Meleana Smith, A & O Director, Teddi Stransky, Recording Technician

V. OPENING – none

VI. APPROVAL OF PRIOR MINUTES

Motion: Rell Woodward moved that the August minutes be approved as written.
Seconded by Valerie Tudor.

Unanimous

VII. OFFICER’S REPORTS

- A. President – No report
- B. 1st Vice President – No report
- C. 2nd Vice President – absent
- D. Treasurer –

- 1. Financial Report – As presented.

Mele pointed out that two line items, Miscellaneous Road Supplies and Tools, are over budget; all other items are under budget at this time. The over-budget items are mostly due to the purchase of speed humps.

Collection of assessments has been slower than usual this year and we may have to move about \$150,000 from our Operating Fund to our bank account to cover the current shortfall.

Fifty-three properties in Ocean View are going to be auctioned by the County of Hawaii Property Tax office on October 13th; although land prices are lower now than they have been in the last few years, we are still likely to recover a high percentage of the monies due to the RMC on those same properties. If all funds due to us are recovered, we will receive \$86, 537.41; funds are not released from escrow for one year following the date of the sale.

Processing of the HOVERMC foreclosures is proceeding; Lawyer Sogi is negotiating payoffs with some individuals; a date for the sale has not yet been established.

E. Secretary – Mary Kastle was absent due to a death in the family

F. Administration & Operations Director

1. Administration

a. Office Report

The newsletter has been printed, folded and sent out, with the assistance of volunteers from the Community Association, in exchange for including an inserted flyer for the OVCA. There was apparently a miscommunication with the printer and we were about 200 copies short, but the printing job was so clean we were able to make photocopies and assemble them to finish the mailing. We will have to make some more to send out to new members through the year, but that can be done on an as-needed basis.

The Annual Meeting is October 11th.

2. Operations

Bill Vinson questioned the placing of the speed humps, and said they should be moved closer to the intersections; Mele responded that she had to follow the traffic codes and code requires that speed humps be placed no closer than 200 feet to the intersection.

a. Foreman's Report

The rebuilding of Leilani Parkway is going well; it is about half completed at this time.

A written copy of the Foreman's Report is included in the Board Packet; there were no questions.

VIII. COMMITTEE REPORTS

A. Administrative

1. Bylaws – no report

2. Budget & Finance – no report

3. Legal

a. Outside Road Work – The Committee recommends that, if members vote in favor of allowing outside road work, the project be given to the

Small Business Development Center, who can provide information and get the answers to our questions. A committee was formed consisting of Stephen Sampson, Valerie Tudor and Loren Heck; they will work with the SBDC if the project is approved at the Annual Meeting.

- b. County of Hawaii Property – Mele spoke to Sogi; we need to locate the documents that conveyed the property from the developer to the County of Hawaii; we will need this documentation if we have to go before a Board of Appeals. It is not likely that we have copies of documents of conveyance dating back 30+ years before the Corporation existed, but there may be something in our records which would tell us when the conveyance took place, and give document numbers we could reference. We will probably have to have this researched by the Bureau of Conveyances in Honolulu.

4. Personnel - no report

B. Operations

1. Building & Equipment

a. Building Plans and Construction Quotes (new info)

Mele showed the Board three plan drawings from local draftsman Bob Self. The first one is the plan as originally developed by Mele and the Board, the second is some alternate roof styles, and the third is an improved plan which simplifies the plumbing and electrical and will reduce the costs of construction; it also includes a covered lanai outside of the conference room. He is offering to do the formal drawings for \$1,400, which would then need to be stamped by an architect for about \$500.

Mele suggested taking out the center window in the conference room to make space for a pull-down screen and a whiteboard; she also wants to add a second door to the 10x10 office. Valerie asked if there was going to be a shower; Bill said it would be a good idea to have one. There is a tiny shower at the shop for decontamination purposes, but something larger would be more practical. Teddi pointed out that if the building ever had to be used as an emergency shelter, a shower would be important.

Valerie asked about a kitchen, but Mele said if cooking facilities were designed in, they would have to meet commercial-kitchen standards, since it is a commercial building, and that would add greatly to the costs; we can put in a refrigerator and use a hotplate if needed. Mele added that there would have to be additional plans and drawings done for the commercial septic system and the electrical.

Further discussion determined that everyone liked the ‘hip’ style roof better than the gable roof, which gave the building a horse barn appearance.

Motion: Rell Woodward moved that the design offered by Mr. Self be accepted with the hip roof design, and kept open for minor revisions. Seconded by Bill Vinson.

Unanimous

2. Road Maintenance

a. Weed Control (spraying)

Jack said we were considering purchasing a new mower at a high cost, whereas using Round-Up for weed control would be much less costly. Several Board members pointed out we would still have to have to get a new mower, as the entire subdivision could not be hand-sprayed. Jack suggested we get a large spray truck such as the County uses.

The subject of spraying weeds with Round-Up has always been a touchy one in HOVE ... some residents like the idea, others are very opposed to it. Rell stated that he had read a study in which Glyphosate (the plant-killing ingredient in Round-Up) had been proven safe. There are other studies that disagree.

Mele said we do use Round-Up on weeds that come up through the road surface, and within one foot of the edge of the road, but that a lot of people do not want the spray used near their properties, as they have ornamental plantings near their property lines which could be killed if a breeze carried the spray mist the wrong direction. There was considerable discussion and it was agreed that, if we start spraying to reduce the time it takes to clear the roadsides, owners who do not want the spray used near their properties would have the option to put up "No Spray" signs, as is done elsewhere.

There are also several sections of the subdivision which are infested with Fountain Grass, which has a waxy coating and is not affected by Round-Up. Mele pointed out that the National Park people come in twice a year to eradicate as much of the Fountain Grass as possible, since it is a serious fire hazard. Valerie, who has participated in the clean-up, described the process used to remove the grass, which must be done by hand, as mowing and weed-whacking only spreads the seeds.

Loren suggested that we do a test strip of a couple of blocks to see how it works. This would give us an idea of how much it will cost to use Round-Up in a larger area. Mele suggested Moana or Donola, as they are short roads in an area where weed infestation is heavy. Board member Rell Woodward lives on Donola and said he would be happy to participate. Residents will have to be notified so they can post 'No Spray' signs if they wish.

Motion: Jack Garner moved that a test be conducted on both sides of Donola to determine the efficiency and cost-effectiveness of using Round-Up to control weeds on the roadside. Seconded by Valerie Tudor.

Unanimous

b. Road Use Agreement with the National Park Service.

We want emergency access to Park roads for evacuation purposes. A prior verbal agreement allowed walk-in access for HOVE residents to

the area above HOVE belonging to the park. The written agreement currently in hand does not include that access, for liability reasons. There are no rangers, graded roads, aid stations or safety equipment in place in this part of the national park; it is raw, wild land and can be very dangerous. Allowing access in writing would make HVNP liable for the injury or death of persons walking in. Undoubtedly those inclined to do so will still be walking in, but it will have to be at their own risk.

We want to be allowed to add our own locks to their gates, so that the community will have emergency access to the 4WD drive roads above the subdivision, to be used as escape routes if needed.

3. Membership – 7,138 Newsletters were mailed out last week; postage was roughly \$4,200.00. Several people came from the OVCA to help us with the folding and processing; we appreciate their assistance.
4. Safety
 - a. Commercial / Industrial Fees – Mele will develop a list of Commercial / Industrial properties for the Board to consider.
 - b. Truck Route Enforcement & Fines – Remove from agenda until such time as new info is available
 - c. Bus stops
 1. Shelters – Jack wants to get together with Mele to design a more economical shelter, based on the plans already provided. Mele is also concerned about lighting, as many of the kids travel long distances to school and in the winter they are leaving before daylight. She wants to install rubbish cans (chained to the shelters). Loren suggested that once the bottom part of Lotus Blossom, leading to the Town Center, has been widened and repaved, that yellow parking blocks be placed to protect pedestrians walking down to the Town Center. The reflector poles currently in use are knocked down constantly.
 - d. Cinder Pit Area – We will continue to apply pressure to encourage compliance with road safety and safe mining practices.

IX. SPECIAL ORDERS

X. A. UNFINISHED BUSINESS

B. GENERAL ORDERS

XI. NEW BUSINESS

1. Alohabroadband Request

Alohabroadband wants to install another broadband “tower” (actually a 10-20 foot pole) on the hill above our Cinder pit. It is the highest point in the subdivision and will provide coverage for some people who are currently unable to access broadband internet. There will be no liability issues, as Elton will not need a key to the gate; the antenna is solar-powered and will require very little maintenance.

Rell suggested that we barter with him computer assistance if needed, with the hours accumulating from month to month. We rarely need assistance, but when we do it’s usually something that takes a while; having “service credit” with him could be very useful.

Motion: Rell Woodward moved that we allow Alohabroadband to put our tower up on our cinder hill, and that we ask, in exchange, assistance with our computer needs in the future. Seconded by Valerie Tudor.

Unanimous

XII. OPEN FORUM - none

XIV. ADJOURNMENT –

Motion Rell Woodward moved to adjourn the September meeting. Seconded by Jack Garner.

Unanimous.

Meeting Adjourned: at 4:57 pm on September 3, 2008.

Minutes prepared by Teddi Stransky, Recording Technician.

Approved by the Board of Directors without corrections on _____
Date

OR

Approved by the Board of Directors with corrections on _____
Date

Signed: _____, Secretary

Date: _____



**Monthly Board Meeting Minutes
Meeting held October 1, 2008**

I. QUORUM – yes

II. CALL MEETING TO ORDER

The meeting was called to order at 4:07 pm on Wednesday, October 1, 2008.

III. ADOPTION OF AGENDA

The President requested that item VIII:A:4 Personnel be moved to Executive Session as was appropriate for personnel issues, and requested that an Executive Session be added to the agenda following New Business. He also requested that item VIII:B:4:d be amended to add item 3. Legal Questions, which should also be addressed during Executive Session.

IV. ROLL CALL

- | | |
|--|--|
| ✓ Loren Heck, President | ✓ Mary Kastle, Secretary <i>by phone</i> |
| ✓ Ken Wicks, 1 st VP | ✓ Rell Woodward, Treasurer |
| ✓ Randy VanLeeuwen, 2 nd VP | ✓ Bill Vinson, Board Member |
| ✓ Valerie Tudor, Board Member | ✗ Jack Garner, Board Member |
| ✓ Stephen Sampson, Board Member | |

Meleana Smith, A & O Director, Teddi Stransky, Recording Technician

V. OPENING – Acknowledgement of Guests: Richard Crapser, William Lucas, Warner Akamu and Vicki West.

VI. APPROVAL OF PRIOR MINUTES

Motion: Rell Woodward moved that the September minutes be approved as written. Seconded by Valerie Tudor.

Unanimous

VII. OFFICER'S REPORTS

A. President – No report

B. 1st Vice President – No report

C. 2nd Vice President – No report

D. Treasurer –

1. Financial Report – as presented in the Board Packet. Rell noted that the total expenses for this year are below what would be expected for this time

of year. He asked Mele if she had any projection as to how much we would be under budget. Mele responded that we were averaging \$75,000 to \$100,000 in expenses per month. Rell pointed out that if that was projected out to the end of the year, we would come in a couple hundred thousand under budget. She said the only thing that might go over budget is the road oil and fuel costs, as oil prices are starting to rise again.

- E. Secretary – Mary Kastle attended the meeting by phone; no report
- F. Administration & Operations Director

- 1. Administration

- a. Office Report

- The Budget and Finance Committee needs to meet for a disgruntled member.

- Donola is scheduled for spraying on October 27th; we sent out notices to all members owning property on that block, to allow them to ‘opt out’ of the spraying program if desired.

- Leilani work is continuing; the road has to be moved over about 10 feet to center it in the surveyed roadway, so it’s taking some time to complete.

- Mele requested permission to purchase another 36 speed hump sections, to complete Aloha and King Kamehameha, and Aloha and Hawaii. Loren requested that that item be moved to VIII:B:4 Safety. The Annual Meeting is October 11th.

At this time Loren requested that our guests be given a sign-in sheet, so we could address their questions and not make them sit through the whole meeting. Teddi provided a blank sign-in sheet, clipboard and pen. Loren requested that they be brief and limit their statements to three to five minutes if possible.

Mary asked if we ever got our new truck; Mele replied that it is still being built but should be done by the end of this month.

- 2. Operations

- a. Foreman’s Report

- A written copy of the Foreman’s Report is included in the Board Packet.

Loren then invited the guests to speak, whether they had questions or just statements to make, and the Board would respond.

The first lot owner was Rick Crapser. He asked for the reason behind closing a block-long section of Mahimahi up in the cinder pit area. As a cinder lot owner, he said he had examined the area that had been closed and that it was no more dangerous than other parts of the cinder hill. He also stated that there were many people up there mining cinder without permits, but nobody ever complained about anyone but him.

Loren explained that the Department of Public Works had served notice on the Road Corp that that particular block was unsafe. This means the Corporation

is legally bound to close that section of road until it can be rebuilt. Since irresponsible mining practices have created 60 and 70-foot dropoffs on the side of the road, the surface of the road will have to be lowered considerably. The Road Corporation is legally liable for accidents if the road is not closed and rebuilt; therefore we have to close the road until we can complete the rebuilding process. Our contracted engineering firm will work with County engineers to produce a recommendation on how to proceed, and as soon as we have their recommendation we will start rebuilding Mahimahi to their recommendations.

The road will remain gated, but if Mr. Crapser will provide proof of insurance on his vehicles, showing the RMC as an ‘additional insured’, and sign waivers absolving the RMC of responsibility, he will be allowed access to his property, at his own risk.

The President then called on William Lucas, who said he had come to find out if the County was attempting to make decisions for our subdivision, and what authority they had over our private roads (ref: item VIII:4:d:2 CoH Public Works). Loren said that the County does the permitting for specific types of mining operations (those not controlled by the State), and cinder mining is part of their jurisdiction. They do not have any authority over our roads, but can make recommendations and declare an area unsafe; we are not bound by law to follow their recommendations, but we become liable for any accidents on the road that result if we do not.

Mele explained that the County only issues mining permits as ‘non-conforming use of agricultural land,’ since this area is zoned agricultural. The Federal Government provides oversight via MSHA, who comes in and evaluates operations and issues citations when appropriate. One of the large cinder operations has been cited in the past by MSHA, who then returned a month later to check for compliance. Rell advised Mr. Crapser to file a complaint with the Planning Department about any illegal conditions around him.

Bill Lucas asked if it was safe for our crew and heavy equipment to go up there and work on the road; Loren said that is why we have called in outside engineers, as it’s not something we are qualified to determine and we don’t want to jeopardize our personnel.

Warner Akamu said he had just come to see what was up, and had no questions; Vicki West wished to be put on the driveway apron list.

VIII. COMMITTEE REPORTS

A. Administrative

1. Bylaws – no report
2. Budget & Finance – no report
3. Legal – no report
4. Personnel - moved to Executive Session

B. Operations

1. Building & Equipment

a. Office Plans

Bob Self is almost done with the office plans. We are waiting for the site and plot plans for M&E and then we can start getting permits for the building. Mele has met with Bob Taylor; he will be getting his own permits and will start on the equipment building as soon as we get the plans from M&E. We have acquired new acreage since we acquired the building package, and the building will be in a different location on the site plan. Roughly half of the amount we agreed to pay him has been taken out already in cinder trade.

2. Road Maintenance

a. Weed Control (spraying) – We sent out a letter on Tuesday informing owners on Donola that we would be doing a weed spraying, and requesting that anyone who does not want the easement in front of their lot sprayed please inform us and put up ‘no spray’ signs. We will create a map for the crew and go over it with them to be sure there are no mistakes. Loren suggested that once the spray/nospray map is established, we could replace the signs with colored stakes, or even paint marks on the road, to make it less unsightly.

It was suggested that, if this proves to be a good system, we acquire a spray truck like the County uses; Mele suggested that a smaller vehicle like a Gator might be more appropriate; they can be ordered with a spray tank, or the spray crew can ride in the back. The County sprays large swaths and up into the trees, and they use a different herbicide. We need to spray a much smaller area and be more precise.

Mele said that her husband used a spray in forestry work which contained a colorant so you could tell where it had been sprayed. It would not be appropriate for roadside use as it is a broadleaf herbicide and we need to kill grass, but if the colorant is an additive we could get some.

b. Road Use Agreement with the National Park Service.

Loren spoke with Cindy Orlando and she is amenable to changes in the agreement, she said to mark it up and send it back. She indicated that it was not intended to mean that nobody could go up there, and that we would definitely have a key and access for emergency use.

Ken Wicks said he felt we should receive maps of the 4WD roads in the Park, so we will know which roads go through and can be used for emergency evacuation purposes. The Board agreed this was a good idea.

3. Membership – no report

4. Safety

a. Bus stops – we have received the speed humps to be installed at the rest of the bus stops. The next time once that is done is construction of the shelters.

Randy also brought up, as a safety issue, the amount of gravel being spilled on the roadway while doing driveway aprons. He pointed out that even a small amount of loose gravel could cause a dangerous skid,

and that the crew should be sweeping up afterward. Mele agreed and said she would talk to the crew. Randy suggested they make another pass a week or so later to clean up any loose stuff.

Rell asked about the process being used to do the driveway aprons; he wanted to know why they were not using oil. Mele said that they were using oil, else it would just be loose gravel and not effective. Rell objected, saying it was all just grey gravel, and she explained that they prepare the surface, put down a thick coating of oil and then roll the gravel into it with the smaller pavement roller. The oil ‘sets up’ a lighter color. The difference in color between driveway aprons and the road is that they are not fog sealing the aprons. This process gives the road surface its black color, but in small applications it is not needed.

- b. Cinder Pit Area – this item was covered earlier in the meeting.

IX. SPECIAL ORDERS - none

X. A. UNFINISHED BUSINESS - none

B. GENERAL ORDERS – Annual Meeting

The Annual Meeting is coming up on October 11th. The President noted that Mele is not responsible for the entire meeting by herself; the Board needs to participate. Mele requested that the head of each committee give a brief report on the actions and accomplishments of their committee during the last year. Mele will be giving the usual Office and overall Operations report, but the community should hear from the Board Members as well.

Loren pointed out that Mary Kastle will still be on the mainland dealing with a death in the family, and asked if Mele would give the Personnel report; Mele agreed.

Rell said if there was nothing particularly new, he didn’t see any purpose to giving a report; Mele said the Budget and Finance Report would mostly be from Sita, and he would not have to participate much. She said the reports from Committee Chairs should be brief updates, no more than a few minutes at most, and she would respond to any questions. Rell requested that we attempt to restrict Sita to five minutes, and let her answer questions after the meeting if she wants.

Randy suggested we have refreshments for those who attend the meeting; the Board thought that was a good idea. Teddi, who is the front desk in the office, said the Board should expect a lot of questions having to do with assessments, the consolidated lots issue and the vote on that item, as that has been generating most of the comments and questions coming into the office since the newsletter came out.

Mele informed the Board that an individual at the cinder pits had cut a new road across his neighbor’s property to access his cinder lot despite the Mahimahi road closure. The owner of the damaged property was aware of the trespass and might be pressing charges. If so, we could wind up being involved because he moved the boulders we had placed in order to access the property, and also because we closed Mahimahi.

Loren also said we would have to deal with the issue of how to fairly assess owners of the cinder lots on Mahimahi for the reconstruction of the road, since it has not been legally determined who is responsible for the damage. The owners involved are, of course, all pointing fingers at each other, and while none of them are totally in compliance, some pits are very dangerous while others have not created nearly as much of a problem. He suggested that Mele contact Lawyer Sogi and ask him how we can do this. Rell said he was sure there were witnesses who would be willing to testify as to who had done the damage, and when. However, we need to rebuild the road and can't wait until the issue is settled, as it might take years.

Cameras: The issue of video surveillance was addressed. Mele is researching wireless day and night-vision cameras which will upload data to an off-site server. If the cameras are vandalized, the data will still be safe. They can also be operated remotely and the server can be accessed via computer for real-time observation. These cameras are actually less costly than the "hidden" camera we are currently using, and Alohabroadband has agreed to install them and provide the server space in exchange for allowing them to put a broadband repeater on our highest cinder hill. Mele suggests two at the cinder area, one at the park and two for the baseyard.

Motion: Stephen Sampson moved that the corporation purchase five outdoor wireless security cameras. Seconded by Bill Vinson.

Unanimous

Loren requested the approval of the Board to contact our Lawyer and ask how to proceed with a special assessment for the rebuilding of Mahimahi.

Motion: Randy VanLeeuwen moved that the corporation contact Lawyer Sogi on how to proceed with a Special Assessment. Seconded by Bill Vinson.

Unanimous

Valerie brought up the subject of Beach Access. She said she had been to a meeting where residents obviously felt very strongly that local residents should have easier access to Road to the Sea, MacFarms Beach and Pohue Bay. She asked if we could donate cinder to help with the reconstruction of one or more of the roads. The Board discussed the idea briefly. Rell pointed out that the existing 4WD roads would require major grading and hoe-ram work before cinder would be of any use, and while we could probably donate the cinder, it is not a good material to use on such a steep grade. He suggested that these topics should be brought up and discussed at the upcoming meetings for the Ka'u Community Development Plan, as that would be the perfect venue for getting the entire area involved in a project that would benefit the entire area, rather than a few people doing all the work for everyone's benefit.

XI. NEW BUSINESS

1. Executive Session – the Board went into Executive Session to discuss

Personnel matters at 5:21 pm.

The Executive Session was adjourned at 5:25 pm.

XII. OPEN FORUM - none

XIV. ADJOURNMENT –

Motion Rell Woodward moved to adjourn the October meeting. Seconded by Ken Wicks.

Unanimous.

Meeting Adjourned: at 5:26 pm on October 1, 2008.

Minutes prepared by Teddi Stransky, Recording Technician.

Approved by the Board of Directors without corrections on _____
Date

OR

Approved by the Board of Directors with corrections on _____
Date

Signed: _____, Secretary

Date: _____

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Annual General Membership Board Meeting Minutes October 11, 2008

- I. Called to Order:** 10:07 am
- II. Quorum:** Yes
- III. Adoption of Agenda:** The President asked if anyone had additions or changes to the Agenda; no response. The Agenda was adopted as presented.
- IV. Opening:** President Loren Heck opened the meeting and thanked the members of the audience for attending. He explained the difference between regular board meetings and the annual meeting, and encouraged attendees to participate. This is the forum for the members to address the Board.

He then introduced the current Board:

- V. Roll Call:** *Attended:*
- | | |
|--|-------------------------------|
| ✓ Loren Heck, President | ✗ Mary Kastle, Secretary |
| ✓ Ken Wicks, 1 st VP | ✓ Valerie Tudor, Board Member |
| ✓ Randy VanLeeuwen, 2 nd VP | ✓ Bill Vinson, Board Member |
| ✓ Rell Woodward, Treasurer | ✓ Jack Garner, Board Member |

Candidate Stephen Sampson was unable to attend, due to a prior commitment to assist at the Ironman marathon.

Meleana Smith, A&O Director; Teddi Stransky, Recording Technician

- VI. Approval of Minutes:** 2007 Annual Meeting Minutes were approved in November 2007.

VII. Officer's Reports:

1. The President announced the result of this year's membership vote:

a. **Announcement of Voting Results**

Articles revisions (*requires 75% vote*):

Private Driveways:	Yes: 783	No: 108	87.9%
Outside Work:	Yes: 756	No: 140	84.4%

Bylaws revision (*requires 2/3 vote*):

Assessment per acre:	Yes: 729	No: 164	81.6%
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The President explained that, as was outlined in the newsletter, this does not mean that our crew will be doing additional work. The RMC is currently investigating hiring an outside contractor to handle private driveways and outside work, possibly using our old equipment which is still suitable for small jobs. Profit from this would be returned to the Road Corp to alleviate lot owners' assessments.

Voting Results

Annual Assessment:	Yes: 868	No: 36	87.9%
2009 Budget:	Yes: 853	No: 30	84.4%
2009 Road Plan:	Yes: 847	No: 33	96.2%

Re-elected Board Members:

Randy Van Leeuwen (2 nd Vice President):	851
Rell Woodward (Treasurer):	804

New Board Member:

Stephen Sampson:	870
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Committee Reports:

Bylaws Chairman Loren Heck reported that the RMC has received numerous agreement slips for the reception of "Electronic Transmissions," a change to the Bylaws that went into effect following the 2007 annual meeting. This gives us permission to contact owners who send in agreement slips by e-mail if necessary, and to possibly provide the annual newsletter by e-mail, saving the Corporation on postage costs.

Articles: Loren also explained more about the 'driveways and outside work' changes to the Articles of Incorporation: We have old equipment which is still functional, but has been replaced by newer, more efficient machinery. It is inadequate for the heavy work on our roads, but would work for driveways or smaller road systems. We are examining the possibility of hiring an outside contractor and crew, who would use our old equipment and our materials to do driveways. The lot owner would pay actual costs, plus a percentage that would go to the RMC to help keep assessments down.

Several of the smaller subdivisions in our area have asked us if we would do their roads; we do not have the time or crew to do so, and until this vote we were bound by our Articles and Bylaws not to do so. We can now explore the possibility of providing this service for our neighbors in the Ocean View area.

Bylaws: The 'per acre' vs. 'per lot' assessment issue is bound to be a complex one. Originally the assessment was 'per acre,' it then was changed to 'per lot'. The current vote allows us to begin to examine better methods of assessment that would be acceptable to all property owners.

There are many possibilities in determining a change in the assessments, some of which could be to charge 'per acre,' or by road frontage, by number of driveways, or even a 'grandfathering' clause to be in effect until the property next changes hands. There may also be other choices. We are looking forward to input from all sides of this issue, to help us make a decision that will be fair to all RMC members.

One owner objected to our voting process, saying that our vote was not fair as only 893 lot owners voted. It is quite true that there are 10,000+ lots here, and less than ten percent of these lots vote; however, we mailed newsletters and ballots to every lot owner in Ocean View, at considerable expense. As with any democratic voting process including the presidential elections, those who do not vote have no voice; we can only count the votes of those who care enough to participate.

Budget & Finance: Rell Woodward, Treasurer and Chair of the Budget Committee, reported that even though the costs of labor and materials have increased, particularly the oil emulsion we use for chip seal, we have kept the assessment at \$90.00 for 2009. He said this was due in large part to the efficiency of our administrative office staff. We will actually have a budget surplus this year due to revenue from cinder, and the past-due accounts which have been collected by the office. Driveways and outside road work will also contribute to income; we are doing these as a service to the community, but also to bring money into the corporation that will help offset the costs of maintaining our roads. The model we are considering would include the actual costs of materials, labor, equipment costs and liability insurance, plus 15%; no decisions have been made at this time and nothing is set in stone.

Loren asked for questions; one member asked if it was legal for us to use corporation equipment to do outside work. Rell responded that we are just beginning to work out the details, and any decisions the board makes will be based on advice from our corporate lawyer. He stressed that the positive vote on the issues do not mean we have to do this; it just means we have the permission of the voters to examine the possibilities and determine if it is feasible. We have the old equipment, and we can get chip and road emulsion at lower prices because we buy in bulk. There are a lot of details to be worked out; we can now start doing so.

One member asked if having driveways paved would be mandatory, and if so, how were the less affluent members of the community supposed to comply? Rell assured her that it was not mandatory; if your driveway is okay with you as it is, no problem. We are considering offering a service, not trying to force that service on anyone.

She asked how the cost would be determined, and Loren provided a scenario: You call, and tell us you want your drive chipsealed. A contractor comes to your house, measures the driveway and evaluates what would have to be done to provide a good surface. He would then give you a bid on the job, based on time, labor, materials, and overhead including liability insurance, plus a percentage for profit. If you like the bid, you can accept it and get a chipsealed driveway. If you don't like the bid, you can say "no thanks" and that's all there is to it. Work would have to be bid on an individual basis, since everyone's driveway is different.

Another member asked if our current crew would be doing the work; Rell again stressed that our crew has more than enough to do just keeping up with the roads, and any driveways or outside work would be done by an outside contractor.

It was asked if we (the corporation) would be carrying liability insurance, or if the insurance would solely cover the outside contractor and crew. Loren responded that that

the corporation already had liability insurance, but that additional insurance might be required. Who would be covered and how it would be set up are some of many details that would have to be worked out with our attorney and business advisors. He also said that the University of Hawaii School of Business will be assisting us in designing and developing a business model; we are investigating the process at this time. Rell again mentioned that the results of the votes on these items simply give us permission to look into doing it; it's not something that will happen right away, and if it turns out to be unfeasible, we are not obligated to proceed.

Another member asked if we had a reserve account to handle the funds we would receive if we proceed with private driveways and outside work; Loren referred the question to Mele, who handles the accounting. She replied that we have an operating fund and an investment fund; dividends are rolled into the operating fund until the end of the budget period, at which time any surplus is returned to the investment fund. Income from the proposed work would go into the operating fund. By our Bylaws the minimum annual assessment is \$60.00; It is possible there might be a surplus at the end of the year, which could be returned to the members as a dividend.

It was asked how the votes were tallied; since there are 10,500 lots and there were fewer than 900 people who voted, how could the vote be fair? Loren responded that, as with any voting process, only those who actually voted had a voice in making any decisions. Every lot owner was notified of the meeting and was sent a ballot by mail; it was their choice to become involved and cast a vote or not. Those who choose not to vote waive their right to be counted. The person asking objected, saying that an unreturned ballot should be considered a 'no' vote. It was pointed out by other members that if that were the case, nothing could ever possibly be passed; we would never be able to progress.

A member asked if the minutes of the Board meeting are accessible at the website. The president responded that they were online, but that there was a one-month lag, as the minutes of one board meeting had to be approved at the following board meeting before they could be posted. The URL of the website is www.hoveroad.com. Another member asked if the agendas were online before the Board Meetings. They are not being posted at this time; Teddi agreed to post a downloadable copy of the agenda as a .doc file online for anyone who is interested, to go into effect as soon as she could get it set up.

Lot vs. Acre Assessment: A resident then brought up the subject of 'lot vs. acre' assessments. He said he had consolidated his lots to avoid multiple assessments, at considerable expense, as that was what was in the bylaws ... and that the only way which would be fair for us to make a change would be for that change to be effective "from this day forward" – meaning that those whose lots were already consolidated at the time of the change should not have to pay the additional per-acre assessments. He said that the number of consolidated lots was only around 4% of the total, and that 4% was not a significant number. Loren responded that the vote had been to allow a change, and the methods of putting it into use could now be examined. No decision has yet been made on this issue and the Board expects a lot of input from property owners.

Another owner suggested that consolidated lots could be 'grandfathered' until such time as the lot changed hands, at which point it could revert to the per-acre assessment; a third

member disagreed, saying that would make the lot less saleable. Much discussion erupted in the crowd.

Motion: Lot owner Kelly Delmar moved that properties currently consolidated be assessed singly until such time as they are sold or otherwise change ownership; at which time they should begin to be assessed on a per-acre basis. Seconded by Toni Bayaoa.

Rell Woodward explained that we cannot move to change the Bylaws at a local meeting, as such changes require notification of the entire membership, whether they choose to vote on the issue or not. Loren requested that the motion be put in writing, to be put to a vote in the next annual newsletter. Ms. Delmar agreed to work on the wording.

It was brought up that not all lots as originally platted are exactly one acre; some are 1.3, some are .95, some are closer to half an acre and so on; the suggestion was that they should be assessed on that basis. Rell noted that the wording in the bylaws change referred to the lots as they were originally surveyed on the plat maps, with no regard to size, and that the issue was properties, regardless of size, which had been consolidated.

A member asked about lot owners who failed to pay their assessments, and what was being done to deal with this, since the owners who did pay had to pick up the slack. The Office Manager started to respond to this but was interrupted by one member who was very angry. She said there was a section of road up at the top of the subdivision where the pavement was almost completely gone; that we only worked on the roads in the lower part of the subdivision, where the majority of the people lived, and ignored the people who lived up at the top. Loren explained that the subdivision has been divided into sections, and a road plan was devised to cycle through those sections so that each area received attention on a regular schedule. The subdivision is just too large to do even a fifth of it every year. The roads were neglected in the past, and some areas have deteriorated badly. We have to prioritize and keep the boulevards up to standards. The current system has only been in effect for a few years; some sections have not yet been addressed. We will be rebuilding a large part of the upper west quadrant. All areas are scheduled and once the first cycle is completed, the roads should remain consistently good.

All members are requested to report potholes, edge erosion, or hazardous conditions as soon as they are noticed; these will be repaired or dealt with on a priority basis, as always.

President Loren Heck then called on Oscar Harnik, who had been waiting to speak. He said he and his family had owned property in Ocean View for over 20 years. He asked if the Board was aware that Article 1.3 of the Bylaws constitutes a contract with all people who have consolidated their lots in Ocean View. It is a written contract. He then asked the Board if they had acknowledged this, and if their attorney had advised them on this point. Loren responded that our attorney had not advised us on that point, but that many of the comments received on incoming ballots had also made the intimation, if not in the same words, that there was a contract and the Corporation had an obligation to live up to that contract “as written”. He said it was obviously necessary for the Board to consult our attorney regarding this, as it had been stated that there was a liability in breaking that contract.

Mr. Harnik stated that if both parties did not pursue this contract unilaterally, it would be considered a deceptive business practice, and would be considered a breach of contract, and if all parties were not notified in written form, it would be considered fraud. These things would be litigated in a court of law, not by this Board. Loren agreed that if Mr. Harnik, or a group of members, decided to take it to that extent, it certainly would be litigated. He asked if Mr. Harnik was a lawyer, and he responded "I am a member." Loren complimented Mr. Harnik on his knowledgeability and asked how he had gained this knowledge. He replied he had a vested interest.

Loren agreed and said it was a very important issue. He asked, pending consultation with our own legal advisor, if Mr. Harnik thought it would be legal to change this Article, since we have informed all members in writing and the vote was in favor, and for the Corporation to include a grandfather clause, so that those who made this agreement prior to the change would continue to have the same agreement as in the original. Mr. Harnik advised him to contact the corporation's attorney before making any changes to this contract. He asked that the Board not take this lightly.

Loren assured him that they were not, and that no changes had as yet been made to the Bylaws. Mr. Harnik stated that the Board had unilaterally changed the written contract. Loren pointed out that the proposed change was approved by 87% of the voting membership. Mr. Harnik said that entire Board was responsible, as the Corporation was responsible. Loren agreed that was one of the liabilities of being on a Board of Directors. He said that the Board does intend to get Mr. Harnik's input and to consult our attorney, and to have future discussions as to exactly what the proper procedure is regarding that issue.

Mr. Harnik also stated that these litigations would be rather costly, and whatever monies the corporation expects to profit by would be nothing in comparison to the cost of these litigations, and also that he doubted if the corporation's attorney would represent them. Loren assured him that it would be pursued in a legal form, with a lawyer's advice. He said "I hear what you are saying and you have my attention, and we will move on in a responsible manner."

Several other people commented on the 'lot vs. acre' issue, primarily those who owned consolidated lots. It was pointed out that most of the RMC Board and several of their employees also own consolidated lots, and would be affected in the same way as everyone else.

Bruce Coates, President of the OVCA, stated "I think the first thing the Board should do is take this man's advice (Mr. Harnik's) and contact their attorney, because it's not 'Us' or 'They.' We are all part of this. If, as a consolidated owner, I join a lawsuit, then I'm paying that part, and as a member of the corporation, I'm paying for the other side. I'd like to see that we're all on really strong ground before the board even bothers with their time to proceed with how they might do this." Loren assured him that legal advice would be sought before any action was taken.

Kelly Delmar stood to withdraw her motion; the board agreed.

One member stated that in her opinion, simply mailing out the newsletter does not constitute proper notification for a change of this magnitude; certified letter should be sent. Loren said that it would be very expensive, but we could possibly do that in the future.

Another gentleman stated that the whole bylaws change is a can of worms, and the Bylaws change was a test. The big problem was that nobody knew about it until it was too late to do anything about it. The first word he had, and a lot of other people, was the newsletter that came to the mailboxes after September 1. Also it said that the vote had to be in by September 30th, but the Bylaws state that a vote can be held at this meeting, but we didn't have it, and this whole thing is a *shibai*.** The Bylaws say that a vote can be held at the general meeting and the votes can be opened and closed at this meeting. It's obvious people are thinking this whole thing is unfair. He said that if a person owning six consolidated lots drove one car, and six people who owned single lots each drove one car, and the consolidated owner had to pay six assessments, then we had just changed it from a "road assessment" to a tax. The gentleman spent three days and went through about half the plat maps in Ocean View; he counted 6,356 lots. Out of that number there were 89 lot owners who consolidated 243 lots. That means there were 154 lots that the RMC is not being paid for. This represents only 2.5 percent of the total of 6,356 lots. The RMC has opened this can of worms to assess only 2.5 percent of the properties in Ocean View. The gentleman concluded by saying that he had one consolidated lot; if the bylaws are changed it would cost him an additional \$90.00. If we raised the assessment by two dollars, we would collect roughly the same amount of money we'd get from assessing the consolidated lots singly; he'd rather pay an extra two bucks than another ninety.

Loren responded that he had gone through all of the comments sent in by lot owners who voted, and many of them said we should be encouraging people to buy more than one lot and consolidate, as it would ultimately reduce the potential number of lot owners, and vehicles on the roads. He said this was a good point and that we must look to the future as more and more people come to Ocean View. There is a lot of research, and legal research, to be done before any decisions are made although, as the man said, this bylaws change is in effect; we can act on it, but we have to determine how we are going to act on it, or if we will act on it at all. The RMC is liable and responsible for an awful lot, and will be very careful what it does from this point on.

A woman said that she felt the vote passed because the article in the newsletter was very skewed, and that the RMC deliberately failed to give both sides of the argument; it was made to look as if the single lot owners were against the consolidated lot owners. Loren responded that, being the president, he wrote the President's Report, and he tried hard to present both points of view, particularly because he and his wife own several consolidated lots ... he said he, as an individual, did not vote for the change. Another owner said he had read the letter and thought both sides of the issue were presented very well. Someone else said the RMC was trying to set up an adversarial 'us against them' situation. Loren explained that it was an item that had come up at several board meetings, and they had tried to extrapolate "what if" people consolidate more and more and more, would the loss of revenue force us to raise everyone's assessments. Another person said it was becoming more difficult to build on the Big Island because by the time you completed your house, the rules had changed. It was bad enough to be getting this from County entities; they didn't need it from the RMC as well. However, once the structure was complete and finalized, if the rules changed, the County did not force existing homes to comply; they were grandfathered in.

Legal Committee – Someone asked earlier about people who did not pay their assessments, and how we collected from them. Our first foreclosure auction for properties in default of their Road Maintenance assessments is underway. According to our bylaws, we are permitted to lien a property sixty days after the due date of the annual assessment. We don't do that as the cost of placing and releasing the lien is greater than the amount of the assessment. However if a property is delinquent for three consecutive years, we do place liens. We have tried to avoid foreclosures, but for some lots, their time is up. We turned 27 lots over to our lawyer; the majority have not paid their assessments since at least 1992. We will be using the same procedure as the County of Hawaii. The date of the auction has not been set, but when it is, notification and property listings will be in both major newspapers and posted on local bulletin boards; a list of the properties will also be available at the office 30 days before the sale and will be posted on our website.

Someone asked how much the County of Hawaii owed on their multiple properties in Ocean View, and how were we planning to collect. Loren said it was an excellent question and he wish it hadn't been asked. In the past, the County was never assessed for their properties. There is nothing we can do about the past, but we did send them assessments last year and this year. They have refused to pay except for the Park, Fill Station and Well site. We are taking this issue to a Board of Appeals and are hoping we will be able to hold them accountable for the balance of their properties. The Board believes that Ocean View has a right to require payment, and we are pursuing the issue.

Sam Bayaoa asked why we are foreclosing on properties, when we get our past-due assessments when the County forecloses. What is the purpose of doing it ourselves? Loren explained that the properties we are taking to foreclosure are one for which the taxes are paid, but the owners refuse to pay the road assessments. There is no other way to collect than to do it ourselves.

A woman asked what right we had to attack people who were not paying their assessments. She said we had to send out letters and inform people. She said she was poor, and all she had was her land. Were we going to take away her home because she could not pay? She became very angry and started shouting about Hawaiian rights and the Corporation picking on poor people and throwing them off their land.

Loren responded that we have been sending letters for years, and making every effort to make it as easy as possible for those who have fallen behind to catch up. We work with many people and accept payments as small as \$25.00 a month over a period of years to avoid, whenever possible, the liens and foreclosures.

Another woman said she wished to commend the board for taking action, because it was not about rich or poor or white or local, it was about responsibility, and we are all responsible. We all bought into this community knowing the rules and we all agreed to them when we signed on. The lot owners elect the board. Nothing has anything to do with color or race. She said "When it comes to color of skin, I'm brown too. If I was delinquent, I would expect you guys to place a lien. When it comes to liens, you guys have the right to assess and lien on those delinquent owners; it's in the Bylaws. You said you have been lenient, and you have been, for many years. Others in your position would not have been so patient." She thanked the board for taking charge and pursuing the money that is due, particularly in this time of economic hardship, so that others would not have to carry the burden.

Meleana Smith, A&O Director, explained that the 24 properties now facing foreclosure belong to people we have been trying to contact for ten years or more ... several as far back as 1992. We know we are billing the right addresses, as they have been paying their County of Hawaii Real Property taxes, and we exchange address information with the County. It has reached the point where we have to foreclose, we have to set some sort of precedent, because we are looking at \$961,000.00 in delinquencies. When we first started with the Corporation in 2003, that number was over \$1.5 million. By placing liens, pursuing collections and setting up payment plans, we have recovered over \$600,000. To recover the rest, we have to do some foreclosures.

A member asked how we scheduled the road repairs and rebuilding. Mele explained that the money comes in sporadically over the year as not everyone pays their assessment on time; we judge our situation and schedule the road work based on the availability of money, road oil, chip and manpower. We fell behind on the Road Plan in 2006 and 2007 because we couldn't get oil. Now we have oil coming in regularly; we are back on plan but we still have to catch up. We have set up a schedule to rotate through the subdivision and do each section. Princess Kaiulani above Aloha will be on the schedule in the future, but we are still behind because of two years of no oil; the upper area that is not yet done is scheduled right after Leilani.

Rell Woodward, Treasurer, pointed out that the entire board is composed of volunteers; no-one gets paid for the work they do, there is no monetary profit to being on the Board. The Board works for the community and does the best it can, and with the help of the Corporation's excellent office staff and crew, the job gets done. Members responded with a round of applause. He continued by explaining that in 2006, both of the refineries on Oahu that produce our asphalt emulsion shut down; we had no supply. Any oil that was available went to the County for County roads. So yes, we got behind.

A member stood to say that the people who are not paying their road fees are hurting everybody here. The road fees go up because some people don't pay, and the Corporation 'doesn't have any teeth' without the lien and foreclosure process. People who don't pay figure "Oh, they can't do nothin' to us." So the foreclosures are necessary, because we have to do something to recover the losses.

Rudy Kaupu, a former road crew member who got his contractor's license and went out on his own, asked about the progress on Leilani, and why it was taking so long. Loren said the road had to be completely widened, and asked Mele to give the details. Mele responded that they were working with people who lived on the road, as the roadway had been placed improperly when the roads were first cut in the early 60s, and the entire section of road had to be moved over about 10 feet. Because much of the crew is working on other parts of the road plan, Mac, the crew foreman, who runs the grader, has been doing the majority of the work on Leilani. We are hoping to have the grading finished next week. Rudy asked how much was complete, and how long it had taken; Mele responded that two blocks were finished, and the project was started in August. Rudy, who is Mac's brother, objected to Mac working alone. He said if something were to happen, nobody would be there to respond. Mele agreed, and said there was a truck going back and forth hauling materials for Mac.

Rudy then asked what the process was for doing the driveway aprons, and what equipment was being used. Mele said a loader, dump truck, the oil truck and a roller. He asked if it was being done street by street or randomly. Mele explained that there was a sign-up list, and that the crew did only the aprons of those who had signed up. At this point the President asked if Rudy could hold his questions for the “Road Maintenance Committee” part of the agenda, so we could complete the current agenda item and move on. Rudy agreed.

Personnel Committee: Mele reported that there was not much that had to be done this year by the Personnel committee; a pay scale has already been established for our office staff, and the crew is Union, so their pay and annuity are preset. Our union contract was recently renewed. There are four employees in the office and twelve on the road crew; two of the crew are part-time. The crew is spread very thin with the many tasks required to keep our roadways in decent shape. Scheduling is done in the office and all activity is scheduled to make optimum use of the crew, equipment and materials. Right now we are establishing set procedures for some of the newer tasks like speed humps and driveway aprons. Office procedures and policies have been in force for some time. A member asked if we were looking at hiring temporary or part-time permanent crew in the immediate future? To expect twelve men to maintain and rebuild 157 miles of road seemed a bit much. Mele responded that it would be worked into the budget, but the budget was established a year and a half ahead, so it did take some time to make changes. At this time there is no plan to add crew members, but since the consideration of doing driveways and outside work has been approved by the membership, if the projects turn out to be feasible, a new crew will be hired. Our full-time crew will continue to take care of HOVE.

A member suggested that we hire high-school kids during the summer to do unskilled labor like weedwhacking and trash pickup. The Board responded that liability issues prevented us from doing that.

Building & Equipment Committee: Randy Van Leeuwen, head of the B & E committee, said that most of the information was in the newsletter. He mentioned that our F-350 dump truck is worn out and giving us a lot of trouble; the decision was made this year to replace it and we are waiting delivery of a new Dodge 5500 truck that will be better able to handle the steep grades and heavy loads. We will be starting construction on the new office and an equipment building this coming year, and any contractors interested should submit bids. A member asked if our mower was working and Mele replied that it has been out of commission for a couple of weeks as we are waiting for parts. The member said we should get a new mower, and Loren replied that we looking into the purchase of a replacement, but will get another used one as new ones are very costly. He added that we are experimenting with using herbicide on the roadways, and have done a short test area on Donola to assess whether spraying would be a safe and efficient method of weed control. The member said that spraying roadsides that were badly overgrown would create a fire hazard; he was told that the plan was to kill the weeds, and then cut them once they were dead; a few rounds of this treatment would greatly reduce the grow-back. Mele pointed out that anyone who did not wish to have the front of their property sprayed would be able to call the office and be put on a ‘no spray’ list.

A member who owned a landscaping business said there was a product available that was better than Round-Up and cost about half as much; Mele asked her to write down the information so she could look into it.

Road Maintenance Committee: Randy said that the Road Plan was in the newsletter and copies were available on the table by the door if anyone needed one. He then called on Rudy Kaupu to continue his discussion. Rudy asked how it was decided who got their driveway aprons done; Loren said people come by the office or call, and they are put on a list. When the crew and materials are available, they work on the list. The office splits the list into sections to make the process more efficient, and marks all the listed properties on a map for the crew. Rudy said it would be more efficient to just do one street at a time. Randy responded that one of the difficulties is that there are a lot of different “entrances” to properties, and we can’t always tell if it’s a driveway or not. Many people don’t live here full time. Some folks make a temporary entrance, then later locate their actual driveway in a different spot. So it was decided we would do them on request, when we had the crew and materials available. If we are rebuilding a section of road, we will do every driveway in the process of the paving. Otherwise, we do it on request so it can be schedule out and completed. Rudy then said we were favoring one side of the subdivision over the other; Loren replied we are doing aprons on request, and we do not choose one area over another; we simply do the ones we are asked to do. Of course, if the crew is doing an apron and sees a driveway right next door that is dug out and damaging the roadway, they will take care of it then and there. Another member said it wasn’t fair to do them by request, because everyone pays the same assessment. Randy said it costs about \$400 to do each one, so we do them for the folks who ask for them. We cannot afford to do the entire subdivision at once, nor do we have the crew or materials to do so. The roads take priority, and we work in the aprons as we have the time and material. It all has to be scheduled and tracked. The fact is that no matter where we work, someone in another area will complain, so we schedule to fit the work load of the crew and we follow the Road Plan. The driveway aprons are “extras.” Rebuilding, mowing, weed-whacking, pothole patching and all the other scheduled work must be done first; the aprons have to be secondary.

Rudy then asked how we scheduled the mowing. Mele answered that they recently did a full road survey, driving every road in the subdivision and making notes of the things that need to be done. Using the section map, she schedules the areas with the most growth to be done first. The weeds got ahead of us when the mower broke down during a rainy period, we’re trying to catch up at this point. Rudy then asked if the mower was traveling between sections “blade up” or “blade down.”

At this point Rell Woodward pointed out that we were wasting time on minutiae, and the meeting was supposed to adjourn in five minutes. We needed to get back to the agenda. Loren agreed, and asked Rudy to hold until after the meeting, when the board would be happy to discuss details with him.

A gentleman complained that he lived on Tiki, and the water trucks and other haulers used Tiki constantly, instead of using King Kamehameha, which is the truck route. He has reported it to us several times and nothing has been done. Loren said that water trucks are a necessity of life up here, and that we would have to prove that any truck running on Tiki

was NOT delivering to someone on Tiki. We don't have the manpower to police the roads, and we don't have the "teeth" to enforce anything. People complain about the trucks, but they don't give us any information to go on. If we can get tag numbers and the names of the trucking companies, we do file complaints; we have filed dozens of them with the offending trucking companies. One member said that the speed humps on the truck routes are only encouraging the truckers to run on the side streets ... quite a number of people agreed. The President admitted that yes, it was a mistake to put the speed humps on the truck routes.

Mele said that trucking companies who operate in the subdivision have to provide us with registrations, weight information and so on, and must have liability insurance that includes the RMC as an indemnified entity, in order to operate legally. Responsible trucking firms have done so, but there are a lot of independents who are running illegally, without any permits at all, and we have no control over that. We have requested that the police come in and enforce the traffic laws, and several truckers have been ticketed for speeding, running stop signs, and operating illegally. Albert Yoshida, at the DoT, has been helping by issuing citations to the big haulers ... getting a speeding or stop sign ticket is a pretty serious thing for someone with a CDL license. However, the police and DoT will not enforce our truck routes as there is no law that applies. Several people said "the guy with the lavender trucks" was the biggest offender. The office knows who that is, and we will definitely contact him. Most people agreed that the biggest reason the water trucks run on Tiki is that it is the first road into the subdivision, coming from Waiohinu and Na'alehu, where the water trucks load up. They've been in the habit of using Tiki for years. Someone suggested we take the speed humps off King Kam and put them on Tiki.

Membership Committee: The Membership committee consists of the Board and the office staff, and we all get together to produce the newsletter. The office staff handles all changes of address and ownership. The office handles 11,767 accounts, including the annual billing; our biggest task is keeping account records up to date as properties change hands and owners change addresses. We try to get our newsletter out by July 1st; we were late this year because our printer became gravely ill. We did get it out by the deadline for mailing, but we regret it was later than usual.

Safety Committee: Committee Chair Randy VanLeeuwen said we'd pretty much covered the speed humps. The speed limit in Ocean View is 25 mph; our roads are engineered to hold up well at that speed. We set up a traffic counter in a test area, and the results showed that over 75% of traffic was travelling considerably over the speed limit. There are now more than 6500 people living in HOVE, so there is a lot more traffic. We have designated truck routes and rebuilt the roads to tougher specs to withstand the heavier traffic, but we cannot force people to obey the speed limit; we are not police. Nothing happens overnight, but we are pursuing all avenues available to us to make HOVE roads safe.

VIII. Special Orders - none

IX. Unfinished Business - none
General Orders – none

X. New Business – A member asked about the abandoned vehicle cleanup, and why the vehicles collected have not all been removed. Rell Woodward explained that Big Island Scrap Metal, who was responsible for the cleanup, had some difficulty getting a permit to crush the cars. That was taken care of a few weeks ago and the cars are being crushed and removed at this time. Someone said that vehicles were being brought in from other communities; they were being seen on the highway and coming up into the subdivision. Rell said that didn't sound kosher but we were not aware of it.

Bruce Coates asked to speak, and said that the crushing permit has a 60-day limit from the date of the permit. All the cars had to be gone in 60 days, and they were being moved out at a remarkable rate.

XI. Open Forum – already done

XII. Announcements - none

VI. Adjournment - Motion Randy VanLeeuwen moved to adjourn the Annual meeting.
 Seconded by Kelly Delmar.
 Unanimous.

Meeting Adjourned: 12:17 am on October 11, 2006.

** [*Shibai: A Hawaiian term, usually used in a political sense, meaning 'lies' or BS.*]

A brief Executive Session was called following the Annual Meeting, for the purpose of electing officers. Results will be attached to these minutes and announced at the next monthly meeting, December 3rd.

Minutes prepared by Teddi Stransky, Recording Technician.

Approved by the Board of Directors without corrections on _____
Date

OR

Approved by the Board of Directors with corrections on _____
Date

Date: _____

Signed: _____
Mary Kastle, Secretary

**October 11, 2008
Executive Board Meeting to Elect Officers**

Call to order: 12:20pm

Attending

Loren Heck
Rell Woodward
Randy VanLeeuwen
Ken Wicks
Bill Vinson
Jack Garner

Motion that the 2009 Officer roster be the same as the 2008 roster made by Rell Woodward and seconded by Randy VanLeeuwen.

Vote unanimous

Motion to approve the following chair appointments:

Bylaws Committee – Mary Kastle, Loren Heck
Budget Committee – Rell Woodward
Legal Committee – Rell Woodward, Loren Heck
Personnel Committee – Mary Kastle
Building & Equipment Committee – Randy Van Leeuwen
Road Maintenance Committee – Randy Van Leeuwen
Membership Committee – Stephen Sampson
Safety Committee – Ken Wicks, Stephen Sampson;

made by Rell Woodward and seconded by Ken Wicks.

Vote unanimous

Motion to adjourn made by Randy VanLeeuwen and seconded by Rell Woodward.

Vote unanimous.

Meeting adjourned at 12:30pm

Results of Executive Session Officer Election:

Loren Heck	President
Ken Wicks	1 st Vice President
Randy VanLeeuwen	2 nd Vice President
Mary Kastle	Secretary
Rell Woodward	Treasurer

Executive Session Minutes prepared by Loren Heck, HOVERMC Board President



**Monthly Board Meeting Minutes
Meeting held November 5, 2008**

I. QUORUM – yes

II. CALL MEETING TO ORDER

The meeting was called to order at 4:13 pm on Wednesday, November 5, 2008.

III. ADOPTION OF AGENDA – Adopted as presented, with the assertion that all attending members and guests would be heard

IV. ROLL CALL

- | | |
|--|----------------------------|
| ✓ Loren Heck, President | ✓ Mary Kastle, Secretary |
| ✓ Ken Wicks, 1 st VP | ✗ Rell Woodward, Treasurer |
| ✓ Randy VanLeeuwen, 2 nd VP | ✓ Bill Vinson, Director |
| ✓ Valerie Tudor, Director | ✗ Jack Garner, Director |
| ✓ Stephen Sampson, Board Member | |

Meleana Smith, A & O Director, Teddi Stransky, Recording Technician

V. OPENING – Acknowledgement of Guests: Oscar Harnik and David Dalley had signed up to participate in the meeting. Other members of the corporation attended, wishing to give their opinions and find out more about the bylaws changes which were approved by membership vote, as announced at the annual meeting. The President welcomed them and assured them that anyone who wished to speak would be heard and their topics addressed.

VI. APPROVAL OF PRIOR MINUTES

Director Valerie Tudor pointed out that Road to the Sea was not a state road, although the road through Manuka to the coastline was. Teddi agreed to delete the remark about Road to the Sea.

Motion: Valerie Tudor moved that the October minutes be approved as corrected. Seconded by Ken Wicks.

Unanimous

Ken questioned whether his request for maps of potential evacuation routes through the National Park had been addressed in the Road Use Agreement signed with the Park. Mele said it was not specifically in the agreement, but the Park people were very open to input and

requests and she was sure it could be arranged. Loren told Mele to ask Cindy Orlando about evacuation signs and maps. The minutes of the Annual Meeting are not yet complete; the acoustics at the OVCA are awful and there was a lot of background noise due to high attendance. Teddi has been trying to transcribe them in the office but has given up due to noise and interruptions, and will have to do it at home. They will be available by the next meeting.

Loren then requested input from the members attending. A sign-up sheet was passed around to the members who came for the meeting; Loren thanked them for coming and said he would go down the sign-up sheet and everyone would have a chance to speak.

The first person called upon was Oscar Harnik. He provided the Board with a letter he had written, and asked that it be entered into the minutes. He then requested that the letter be read; the President read it aloud. Mr. Harnik also presented a petition, which he said had over 100 signatures as required by our Bylaws. The Board then discussed the letter with Mr. Harnik. The topic concerned the validity of our voting process, and whether it was necessary for ballots to be signed by the voting members. Mr. Harnik requested that a panel be formed: a committee to look into this situation and report back to the Board their opinions on what proper procedure might be.

Several members then claimed that they received their bills, but that they had not received the newsletter with the ballot. The Office Manager stated that both mailings are sent using the same mailing list, which is a complete list of every person who owns property in Hawaiian Ocean View Estates, generated by our accounting software.

Several members objected strenuously to the speed humps and said the Board had no right to install them without a vote. The President responded that it was a safety issue and the responsibility of the Board.

The President requested that a list be handed around so that people could sign up to be on the Special Committee, as requested by Mr. Harnik. A second sign-up sheet was provided, which came back with 12 participants. Mr. Harnik also requested that the issues under consideration not be implemented until the situation is resolved. The President responded that of course, nothing would be done until everything is settled.

Tim Schutt spoke on the subject of speed humps. He hates them. He said that they were disrupting the flow of traffic by diverting vehicles that would normally travel the boulevards onto the feeder streets, and that the speed humps were not needed. First Vice President Ken Wicks responded that he lives on Hawaii at the bottom of Princess Kaiulani, and people constantly go through that intersection without stopping, at a high rate of speed. The speed humps there are not totally preventing the problem, but they are slowing it down.

The President explained that the RMC has two mandates; road maintenance and road safety. The speed humps have gone in where there are children waiting for the school buses, and at intersections where we know people are not stopping.

Jacqueline Felton stated that she researched the Americans with Disabilities Act, and it prohibits speed humps in places where the public can go. She recommended that Aloha Blvd be

widened to four lanes to handle the large amount of traffic in the mornings. Teddi agreed to call the ADA to learn the regulations. Jackie said she had done a lot of research and had written a letter to the Board, so her specific issues would be in writing.

The President asked how many people came to the meeting about the speed humps; a few people raised their hands. He stated that the current project is a test, to find out if this process would help in speed control, as it has in other areas. We're hearing how it is, or is not, working from numerous people around the subdivision. Jackie, who lives at Hawaii and Aloha, said she had put her observations into her letter. The Secretary said we are trying to find better methods of traffic control; if anyone has ideas, please call or come in to talk to us.

The President then called on Michael Million. His interest is the consolidated lot assessment issue, and many of the people attending were here because he called them. He found in chatting with people that they had no idea what was going on; they said that hadn't gotten a newsletter, or hadn't read it, or didn't have time to bother with it. For whatever reason, a lot of folks who are affected did not know about it, and were upset about it. He provided copies of e-mails from members who were unable to attend the meeting; Jackie Felton, Freda Owens, John McKinney, Darlene Barrett and Earl DeGray, Kandice & Rodney Crusat and Kurt & June Rauch. He remarked that most of the issues were brought up at the Annual Meeting, and did not need to be repeated; the Corporation had made a deal with consolidated lot owners long ago, and the lot owners have followed the rules. Mr. Million said he believed it was okay to change the rules, but the changes should be "from this day forward;" in other words, the change should not affect property owners who have already consolidated. He quoted the words of a retired judge, on the subject of Constitutional Law: "*Amendments to the Constitution are not retroactive; they only affect the rights moving forward, not the rights that have already been granted. A basic principle of law is that once a government grants a right or a principle, they cannot take it away without compensation for loss.*" Therefore, if we change the rules and one of our members incurs a loss as a result, the Corporation would become liable for it. He stated that that was the best legal interpretation he could get.

The President thanked Mr. Million for his report, and said that the Board had been discussing the process of "grandfathering in" existing lots, and intended to form a Special Committee to look into the situation. It appears that the main concern was whether the change would be retroactive, and the Board had not yet discussed or voted on that question. He said Mr. Million and the other concerned owners definitely had a sound case, and he personally agreed, since his own property was consolidated, but his personal situation could not affect the way the Board voted.

Several other members spoke up at that time. A woman said she owned five acres and has not consolidated, but she is against charging, even in the future, by the acre for consolidated lots. She asked why we were not taxing the big trucks, who do the majority of damage to our roads, and stated that she got the newsletter and voted against the change. **44:14** The President responded that the details were not yet worked out; all that was voted on was whether consolidated lots would be assessed by acre. How that will be done is yet to come; the corporation has the vote of the majority of the voting members, but no decisions have yet been made as to how it will be implemented.

Kim Million stated that there was a huge communication gap between HOVE Road Maintenance and its members. She spoke to 145 people and most claimed they either had not received the newsletter, or they didn't know there was a ballot in the newsletter because they glance

at it, get to the budget on the third page, and throw it away. She said the ballot should be sent out by itself, not hidden on the back page of a newsletter.

Loren responded that his letter to members was on the front page of the newsletter, and he wrote specifically about the Bylaws changes on the ballot, and stressed the importance of voting on these issues. The second page consisted almost entirely of information on the proposed changes, and at the bottom was a box encouraging members to vote using the ballot on the last page. Kim responded that probably 80 percent of the people she spoke to did not even know about the ballot, so there is a communication gap somehow, and how do we rectify that and move forward? She also said that Mr. McKinney had claimed that it was a conflict of interest for single-lot owners to be voting on an issue that only affected consolidated-lot owners. Only 893 people voted out of over 10,000 lots; obviously there is a communication gap. Kim suggested an open meeting at the Community Center before the ballot goes out, to educate members on the issues.

The Secretary observed that while all members have a right to vote, we cannot force them to. This is one of the reasons why we are offering electronic communications; we are trying to communicate, but people won't listen. A loud discussion ensued and the President called the meeting to order.

One member stated that changing our definition of "lot" would mean every owner in Ocean View would have to legally change their deed, as the deeds say "lot." That would cost everyone a lot of money. Another member interrupted her to state that none of the land belonged to any of the lot owners because it all belonged to the Native Hawaiians and everyone else on the island was trespassing.

A woman stated that there are different reasons for consolidation. She consolidated because she had two narrow lots and wanted to build her house in the middle; others have consolidated to lower their road assessments. If the Road Corps takes away the consolidations, what will happen to people, like her, who have built on what used to be their property lines? Mary explained that no-one is being asked to "un-consolidate," the Road Corp is not concerned with what people do with their properties. The only issue is how to assess, and the amendment to the bylaws defined it as per lot as shown on the original plat maps. It was pointed out that people with consolidated lots put proportionately less wear on the roads, with multiple lots but only one or two vehicles.

Mr. Harnik asked if the original Article 1.3 was a mistake; he asked if the Board did not recognize its responsibility to the people who moved here, and were told to consolidate their lots so the RMC could be fair to them in their assessments. Does the Board not wish to consider that as a responsibility any longer? Loren replied that that was not at all what they were saying, and that they were not telling anyone to consolidate or not consolidate. Mr. Harnik stated that, on the contrary, he was told when he purchased his property that if he consolidated his lots, he would be assessed by the Road Maintenance Corporation "fairly," as one lot. Mary asked if his realtor told him that, and he responded that he was told that by the Federal Government representative who sold him the property; and that that person was informed by the people who were in this office. Loren responded that that was the rule at that time. Mr. Harnik demanded to know if the RMC was accepting that responsibility. Mary responded that Bylaws can be changed; and he said they cannot be changed unilaterally, that you have to have the consent of both parties. There was an argument as to whether the Bylaws are a contract between the owners and the Corporation. Others got involved and some shouting went on. Loren brought the meeting to order and said there was obviously a need for further discussion. If there are concerns about the legality of this, any questions to be addressed should be discussed in Committee at a meeting set for this specific purpose.

Kim asked if the Board had consulted with Mr. Sogi on this issue; Loren said he had gotten an opinion regarding Mr. Harnik's concerns, but they had not discussed the legality of Bylaws changes. He would like to get a list of concerns and issues, so as not to incur any more lawyer fees than necessary, and recommended that a special membership committee be formed to discuss the issues. If anyone present would like to be on that committee and help to hammer this out, please sign up on the clipboard. Teddi handed out a new sheet and several people signed up to be on the committee. A member suggested that the committee should address one issue at a time. Loren said if the same people were interested in both committees, then we could just split the meeting between issues.

The President then called on David Dalley, who had signed up to speak. He had no idea so many people would be at the meeting; he wanted to inquire about the possibility of the RMC forming a subsidiary to pave driveways and do outside road work, as he was interested in being the contractor for that enterprise. Loren explained that a lot of research, both legal and functional, would have to be done before we consider setting up to do this. He asked Mr. Dalley to leave his contact information with the office.

Bruce Coates was then called upon. He said he had several consolidated lots in 2- and 3-acre parcels, as well as some single lots; however it works out, he is willing to pay the assessments. His main concern was that the decisions be made correctly so that the affair would not have to go to court, as that would be a losing situation for all involved except the attorneys. He the newsletter stated that ballots must be sent by a specific date to the League of Women Voters, and that is a good procedure. However, the Bylaws state that you can also bring ballots to the office, and vote at the meeting. He came into the office a week before the meeting and was told his votes could not be counted, as the LoWV had already tallied the votes. He understands how volunteer boards work, he is President of the OVCA. He said the RMC Board is doing a great job, and it's a lot of work, but details get left out. He suggested that the Board examine the entire voting procedure as outlined in the Bylaws, before scheduling the Special Committee meeting. Secretary Mary Kastle agreed with him strongly.

Loren expressed surprise that Bruce's votes were not accepted; Teddi said it was after the deadline; the office has always accepted drop-off ballots, which remain sealed and are sent to the LoWV before the deadline.

Since several people had claimed they had not received a newsletter, Loren asked that they talk to Teddi, who could check their account information and make sure all was correct.

A member suggested that we have a locked ballot box in the office, and start accepting ballots ninety days before the meeting. He said some people he had spoken with said they didn't think 30 days was a reasonable time to submit their votes. Not everyone works at the same speed or has the same amount of free time available for such things; we need to be more flexible.

Another member said she thought that every unreturned ballot should be considered as a "no" vote. This would give us about 800 votes and 10,000 no votes on the current issues. Loren pointed out that if we did that, nothing would ever be passed, since only a small percentage of members bother to vote. Someone asked how many newsletters were returned due to invalid addresses; Teddi said perhaps a hundred, and that when they are returned, we immediately go to the County record to see if there is a new address, and if we find one, the newsletter goes out again the next day. Obviously, if no new address is available, there's nothing we can do. All returned mail is logged in the owner's computer record, and physically filed in the TMK folder for each property. The mailing list for the newsletters is identical to the mailing list for the billing, it's produced by our accounting system and printed out on the same kind of mailing labels. Billings and newsletters go to the same addresses, worldwide.

Loren said a lot of good issues had been brought up, and there is much to discuss. The RMC will not be taking any action on the lot/acre assessment issue until the details have been worked out, with the help of the new Special Committee. Randy stated that the original intent of this change was to discourage people from buying up hundreds of lots and consolidating them all to avoid the assessments. Everyone else's assessments would skyrocket to cover the shortfall. We are all lot owners together and on the same ship; we all pay assessments – the intent was to ensure an equitable assessment. We're in very good shape here, compared to some of the subdivisions in Hilo and Puna, who pay more than we do annually and don't even have paved roads.

Mr. Harnik asked why the RMC did not state its intent, but instead created an adversarial situation where all "these people" have descended upon the office to protest. The President noted that we welcome people to participate, and we have not had many who wished to do so; so we're glad to have a group of people here wanting to be involved. Whether it is adversarial or not is up to the individual; however, the ballot, and the description of the ballot, and the articles in the newsletter, were all attempts to inform lot owners of what we were trying to accomplish.

A member said she thought the idea of sending out a separate ballot was the most fair, because in her experience people don't like to read too much, and although she found the newsletter interesting, putting the ballot on the last page was a bad idea because people don't get that far. One of the Board members asked what a separate ballot mailing would cost; a quick estimate based on current postage rates would be \$4500.00, plus labor and materials. Loren said the most important part of the newsletter is the ballot; we ask for votes on issues that concern all lot owners. Mary noted there is a ballot in the newsletter every year. The member asked how people were supposed to know that. Mary responded that most of the people currently present had said they'd owned their properties for several years, why would they not know? If anyone doesn't get a newsletter, there are always copies available at the office.

Loren agreed that it is very important that people know there is a ballot, and that they receive that ballot. But do we want to spend another \$5,000 a year to send a separate ballot? The member then suggested that we include it as a separate page, printed on bright pink paper. Several people thought that was a good idea. Loren said it was entirely possible that a few newsletters might get "lost" in the mail ... but not a large number; the RMC has no reason to expect that a large number of people will not get the newsletter. The member said she understood that a percentage of the membership just don't care to have any input.

The President then called on Bob Armstrong to speak. Mr. Armstrong commented that he had served on this board in the past. He has two consolidated lots and several single ones; it cost him \$1500 to consolidate, so if we change the rules, we owe him three grand. As far as the speed bumps are concerned, when he was on the board, they decided they were illegal on the thoroughfares. What he really wanted to talk about was totally different ... the cinder operation. He questioned whether it was legal for a non-profit corporation to do. He also wanted to know when and how it was authorized, as something like this should have been put before the members, but he didn't remember seeing anything about this happening. Loren said it was never voted on by the membership. Mr. Armstrong also said the acquisition of properties should have been put before the membership. He asked if the properties where the cinder operation is located was purchased; Loren said yes. He asked if the information on when, how much, and why had been made public and was accessible to members; Loren said yes. He then said his biggest complaint was that there are private providers [of cinder] here in the subdivision who are also members. These people pay assessments on their properties and cinder lots like everyone else. Their livelihoods are now being competed with by a non-profit. Loren pointed out that we are not selling the cinder, we are charging a loading fee; there is income, but not much profit, and we are simply providing a service. The cinder pit area has

become much too dangerous to allow people to go get their own, as we used to do, but it still belongs to the members. Rather than just cordon it off and not allow members to have cinder, we haul it down and make it available to them, and the amount we charge covers the trucks, gas, and personnel needed to transport and load it in a safe manner.

Bob said that was okay, but he understood at the beginning that it was only for members, however he learned later that non-members were also allowed to get it. Loren said yes, that was true, but that non-members paid a higher price. Bob said that if they are not members and we are undercutting the local haulers, it was not fair and might not be legal. Loren agreed to look into that carefully. Bob then asked if there was a financial analysis on the operation, and if it was available. Loren said that the income from the service was reported in the newsletter's Budget report, but that a profit analysis had not been done. Bob strongly recommended that an analysis be done and certified by a CPA. He would like to see numbers indicating what this service profits ... or costs.

He said that he was a cinder user, as a protea grower, and that he purchased from private vendors and it was more costly. Loren pointed out that the cinder haulers deliver, and most of the cost of cinder is actually for fuel and time. Bob agreed, and noted that nobody else seemed to be perturbed about it, so maybe they didn't care. Loren agreed that all the things Bob brought up should be discussed, particularly the issue of selling to non-members, and a profit analysis should be done. Bob asked if we had discussed the legality of the service with our lawyer and was told definitely yes; it went to the lawyer before we did anything.

As far as the operation being authorized by members, Loren said there was always some question of what needed to be voted on and what did not. The Board had decided that, since it was a service to members, it did not need to go to a vote. Usually the determining factor is whether it would cost the members anything, alter the Bylaws, or affect the functioning of the corporation.

Bob asked if we had considered selling the pit, if that might not be better for the Road Corp., since we don't use it to build roads any more. Mele said we do use cinder, but not for road construction. Loren noted that the question had never before come up.

The President then called on David Dalley, who stated that he was a trucker, 100% legal with insurance and permits, and owned cinder lots in HOVE. He said he was concerned with the 'little one-ton dumpers' who were running illegally, not insured, and overloading their trucks when buying cinder from us. If one of them caused an accident, who would be responsible? Would the Corporation be in any way responsible, for allowing them purchase more at one time than their trucks could safely haul? Loren said he did not know if any part of the responsibility would legally be ours; any issues with the safety of the vehicle would, of course, be the responsibility of the owner. But if we are overloading a vehicle, we possibly could be held partially responsible. When asked, Mr. Dalley said he had definitely seen small dumps being overloaded at our cinder yard.

Loren again thanked the people who had come for providing their input. These are obviously valid points of view and things the Board needs to think about. The Board is all volunteers and does the best it can, but obviously everything does not come up in a closed group. We need input from members. The Special Committee in particular will be extremely valuable.

Jackie Felton, who lives at the intersection of Hawaii and Aloha, stated that many people slow down for the speed humps, and then run the stop signs at the intersection. She does not feel that they are serving any purpose.

Teddi asked David Dalley if he could give the group any information on how much a cubic yard of cinder might weigh. He replied that there were too many variables to be exact; percentage of fines, moisture content and so on. He could tell us that the dark cinder was heavier than the red, and

that while a full load of red cinder in his big truck might weigh in at about 10 tons, a full load of dark cinder put him near his legal limit of 15.5 tons. He said that a yard of damp, dark cinder would weigh very nearly a ton.

A gentleman complained that the 'lavender' water trucks go down Tiki from PK to the highway, riding their jake brakes all the way. They should not be on Tiki in the first place (it is not part of the truck route). There are other trucks who also use Tiki but do not use their jake brakes so it's not as offensive.

Kim Million asked whether, if the ruling on assessments for consolidated lots changed, the owners would then get more than one vote. Loren asked her to come to the committee meeting so this could be discussed with more of the affected owners present.

Loren thanked all those attending for coming to the meeting, and promised that a membership committee meeting would be scheduled as soon as possible, at a time when most people could attend. He asked Bruce to help coordinate a good time when there would be space available.

VII. OFFICER'S REPORTS

A. President – At our last meeting we discussed who would chair which committees; Loren asked if he could make one change. He doesn't feel that it's proper for the chairman of the board to chair a committee; he's on all the committees automatically. He asked Mary if she would be willing to chair the Bylaws committee, and she accepted. Rell will be chairing both the Budget and the Legal committee. Personnel committee is Mary Kastle; Building and Equipment, Randy Van Leeuwen; Road Maintenance, Randy Van Leeuwen; Membership, Stephen Sampson; Safety Committee, Ken Wicks.

Steve Sampson brought up the need for communication, and that if one newsletter doesn't 'get it', maybe we need to do more than one. He would like to talk to the office staff about it as they do all the work. One of the members had expressed that we never explained anything about our plans for the consolidation change, and yet it was all there in the newsletter. We have no control over whether the members read the information we send out in the newsletter. The members are saying that past practice is not good enough, and more communication is needed. We need to address how we can reach out to the members so that they feel good about what we are doing, and can feel that their concerns have been heard. Kim Million suggested that we put up a bulletin board, like the church does down by the Post office, where everyone can read it. She said she walks past our office and does not read what we put up in our windows. Steve said that was part of the problem; that we do attempt to communicate, but what we put out there is being ignored. We cannot force anyone to read the newsletter, or our informational flyers. There were a lot of issues, and they all need to be discussed; Loren suggested that there would have to be more than one meeting, as there was a lot to be covered.

Mele asked what sort of committee it would be; she recommended that it be a part of the Membership or Bylaws Committee and thus have a permanent place on the agenda, rather than being a "special" committee which by definition is temporary. There appeared to be two main subjects, Membership and Bylaws. Teddi mentioned that she had the list of people who had signed up for the two committees, and it was really only one list ... everyone had just put a star next to their original signup. It looked like there was one committee, and it could be put under Membership. Stephen, as the chair of the Membership Committee, could chair the meetings. Steve said perhaps we should

consider arranging to have our lawyer, Jim Sogi, come to one of the meetings, to answer legal questions for the members. Kim suggested it would be less costly for the members to have the meetings, and then draw up a list of questions for the lawyer to address. Mary then suggested that we have the meetings and develop a list of questions, give them to Mr. Sogi, and then have him attend the next meeting to provide his responses and field questions. Considerable discussion went on, the general consensus being that the corporation needs to be more communicative, and members need to be more involved. Jim Stutheit suggested that it would be best to have a lawyer present who was not being paid by the Board, because he is going to say what the Board wants him to say. Loren and Mary assured him that our lawyer very rarely agreed with us, but Mr. Stutheit said he had no confidence in our lawyer. Loren reminded him that our attorney knows our bylaws, and pointed out that the corporation is supported by its members, not by the Board, and the members would be paying for an outside lawyer to come up to speed. Whoever the lawyer is, Mr. Sogi or some other person, he will still be paid by the corporation, with money from the members' assessments.

Mele said she would like to have input from the committee members, so she could contact people, get their ideas, and create an agenda that would address their issues.

Kim suggested that we put our meetings on the OVCA calendar, and into the Ka'u Calendar, two local venues that might reach more people. Valerie agreed that was a good idea and we would look into doing so. Teddi pointed out that the Bylaws require us to submit meeting information to both West Hawaii Today and the Herald-Tribune, which we do ... but they rarely publish them. Both papers recently put their Community Calendars online and she does submit notices of the meetings to both calendars. Notice of the meetings is posted on flyers at specific places around the community every month. The Ka'u Calendar is actually more likely to publish them than either of the "big" newspapers, and she thanked Kim for the idea.

Loren commented that this is a "Board Meeting," and that we had in the past had persons on our board who insisted that the Board Meeting was for Board Members only. If that were still the case, no-one would be here. We have a board now that welcomes community input ... we just haven't gotten much of it, up until now.

Mary mentioned that members could join the Board, if anyone was interested. Michael Million said he had asked about that at the Annual Meeting and Loren was supposed to get back to him on it. Loren apologized and Mele provided the forms and information needed; once the paperwork is done, he could be on the ballot for next year's election.

B. 1st Vice President – No report

C. 2nd Vice President – No report

D. Treasurer –

1. Financial Report – Ken asked how much of the current billing had been received by the office. Mele responded that as of this meeting we have received 67% of the annual assessments billed last January. He then asked Mele why office supply expenses were so much higher this reporting period than they were the month before. Mele responded that we had to get toner cartridges for the printers, which are quite costly but only have to be replaced a couple times a year. Valerie asked why our Workman's Comp expenditure was zero last month and \$8,000 this month ... Mele explained that it was paid quarterly so only appeared as an expense every three months. She added that we

usually get a refund of about \$9,000 at the end of the year. Equipment lease costs are for the postage machine, and are also quarterly.

E. Secretary – no report

F. Administration & Operations Director

1. Administration

a. Office Report – We are finalizing our year-end paperwork and going through the general ledger to make sure all is in order; everything is being prepped for next year’s taxes. We send reminder statements to those who have not paid every other month ... the current one is being processed and includes a notification of the Finance Charges that will be applied if it is not paid by the end of the year.

Representatives from MSHA and Glover came out to check our cinder pits for safety compliance; according to them we’ve done a good job of terracing and we are in compliance. Our operation is not considered “mining” as we do not have big equipment like crushers; we fall into the category of “prospecting” according to MSHA standards. We did sign up for a “Mining I.D.” which ensures that MSHA and the Federal government know we exist. Howard from MSHA is willing to do additional safety training for the crew that will bring us up to Federal standards. This is not something we can do in-house, a professional trainer must do it; it’s not really required for a “prospecting” operation, but we want to be on the safe side. The crew already does safety training every Monday, this will be in addition to our regular training program.

The Dodge 5500 Dump which will be replacing the F-350 should be delivered in about a month.

Foreclosures are being processed; many of these are on properties who have not paid their assessments since 1992. We have received two pay-offs, the rest are being foreclosed by our lawyer. The next step will be for the lawyer to publish a legal notice of foreclosure in local newspapers; once that is done we will be able to schedule the auction and produce a list of foreclosure properties for interested parties.

So far this year we have received 67% of our assessments; this time last year we were at 77%, so we are about 10% behind. We have liened over 40 properties this year; these are people who have been for three years or more; we are also compiling a list of potential foreclosures for next year. We don’t have exact numbers at this time but it looks like well over a hundred properties. Our aged report shows about \$950,000.00 in unpaid assessments at this time. Hopefully the current foreclosures will inspire people to contact us and get on a payment plan so they can get their past due assessments cleared up. Last year the Board decided not to pursue those who are not paying their property taxes either, as the County will foreclose on them and we can apply for surplus funds. We are focusing on the ones who are paying their property taxes, but are not paying road assessments.

We are still trying to locate the documents from the 60s which would ensure the grandfathering of our cinder pits. The Bureau of Conveyances cannot find reference to them, so they may not have been filed. Unfortunately records were very poorly kept in the early years before the creation of the Road Maintenance Corporation. We are collecting affidavits from lot owners who have been here for many years, stating that our pits have been in operation for as long as they have lived in the subdivision. If this is not sufficient, we will have to go through the Special Permitting process to ensure that our unmined lots are included in our permits.

2. Operations

a. Foreman’s Report

A written copy of the Foreman’s Report is included in the Board Packet.

Leilani is still being worked on. There were many encroachments due to the mispositioning of the original roads back in the 60s; we had to work with a lot of

property owners to help them move their property lines and get the roadway into the right place. We had to reposition and widen the existing roadway, cut back trees and do a lot of excavation work to get a solid base down. Work in that section should be completed by the end of December.

Valerie mentioned that the lower end of Lotus Blossom near the circle also seemed very narrow; she asked if this would be the same situation, clearing and excavating to bring the road up to standard. Mele said yes. We are trying to look into the future, to find a way to deal with possible things like drainage ditches, sidewalks, and even streetlights. We want to get the roads set up so that it will be easy to make these changes if they come along.

Speed humps have been placed around all of the school bus areas, for the safety of the kids. The majority of the speed humps are in these locations. There is still a problem with people driving around the speed humps; in places it is beginning to damage the edge of the road. We have volunteers and are collecting donations to build shelters for the kids to wait in, but we do not yet have enough money or materials.

Loren asked if the speed humps were working and Mele said in her observations it was about 50/50. Now that we have speed humps the full width of the road at the bus stop areas, it's working better. As with every other issue we deal with, the biggest problem is enforcement. We do not have enough police in Ka'u to deal with this type of thing. We can put out speed humps and stop signs, but if people ignore them we can't do anything about it. We make every effort to be compliant with county, state and federal laws, but we can't force drivers to obey them.

Mary asked Kim if, since she has complained about traffic problems in her area, she felt that the speed humps would be of any help. Kim responded no, that people who were not obeying the law were not going to change their ways because of signs or speed humps without some kind of enforcement. When asked, she said she felt the speed humps were not helping, and she would not want them in her area; that in fact, she felt they made the situation worse.

Spraying has been done on Donola, we have not received any feedback pro or con. She will go out in a week or so, after the RoundUp has had time to work, and see how effective it is.

VIII. COMMITTEE REPORTS

A. Administrative

1. Bylaws – no report, a meeting is planned
2. Budget & Finance – per Valerie's request, Mele had our broker and some other brokers search for better deals on insurance. Our broker gave her a comprehensive list of all the sources they consult to find us the best deals. Because we have such high limits, few local insurance companies can handle our needs, so most of our insurance comes from the mainland. She is looking into other sources. Our Workman's Comp and TDI insurance are as low as they can possibly be, as we have never had any claims.
3. Legal – we will be discussing signatures on ballots and consolidated lots after hearing from our newly formed committee. We need to set a committee meeting to discuss outside work and private driveways, and we need to get information from the University before we set a meeting. Loren said he would call the Business College.
4. Personnel – moved to Executive Session

B. Operations

1. Building & Equipment

a. Office Plans – The site plan is done. Bob South is almost finished with the building plans. Mele told him not to send it to HPM for quotes yet as there were some things that had to change on the site plan. She explained the site plan to the Board and the remaining members attending. Kim Million asked if the money had been set aside for the building; Loren responded that \$100,000 for an office building was approved by a vote of the membership in 2003 or 2004, and had been set aside at that time. We have been paying \$1,000 a month rent for an inadequate office for many years; in the long run we will save considerably by having our own building. Kim asked where the money was coming from. Mele explained that when we took over the office in 2003, the Corporation was \$1.5 million in the hole from unpaid assessments. Since then we have collected over \$700,000 in past due monies. With these funds we purchased some badly-needed equipment to replace obsolete broken-down machines, and purchased the properties adjacent to the existing baseyard. Everything goes into the investment account and the operating account. The operating account receives and disburses funds as needed, so that the investment account is not touched.

Motion: Valerie Tudor moved that the site plan be approved as presented. Seconded by Ken Wicks.

Unanimous.

2. Road Maintenance

a. Road Use Agreement – had been accepted and signed by the National Park, and they have agreed to place appropriate signage.

b. Surveying of the Dead End of Leilani – a property owner is claiming we dug into his property while widening the road. This is unlikely since we moved the road in the opposite direction, but we need to be sure. Mele examined our pins and the new pins put in by the surveyors for Manuka State Park and their pins are also within what he claims is his property. Mele requested permission to get our own survey done, to establish the correct boundaries.

Motion: Valerie Tudor moved that a survey be done to establish the proper boundaries. Seconded by Ken Wicks.

Unanimous.

Loren said that questions had arisen about the driveway apron procedures during the annual meeting. Mele explained that the area is leveled by filling in low spots with base course. The smooth it as much as possible and compress it; it is sprayed with water and rolled, then they lay the chip and oil it, then come back and roll it again. Loren asked if it was normal practice to do the driveways on either side at the same time. Mele said that she has told the crew that if they see that an adjacent drive is dug out and damaging the road, or creating a safety hazard with debris on the road or constant runoff, they should go ahead and do that while they are there, since they would have to go back and do it anyway. She has explained to them that they should not go ahead and do the whole block, because we cannot afford to do so, and they are now clear on the procedure.

3. Membership – no report

- 4. Safety
 - a. Bus stops – Jack is feeling better and will be doing detailed drawings of simple shelters, so that he and Mele can determine the cost. We probably do not have sufficient donations to proceed at this time.
 - b. Cinder Pit Area – We do not yet have engineering quotes; they are going up to the pits to assess the situation, and she is getting some incredible feedback. She will be getting quotes from two or three firms on plans to lower the road, and how to keep the area safe in the future despite the illegal mining procedures going on. It's a difficult situation.

- IX. SPECIAL ORDERS** - none
- X. A. UNFINISHED BUSINESS** - none
- B. GENERAL ORDERS** –
- XI. NEW BUSINESS** – Executive session – Personnel

Motion Ken Wicks moved to adjourn the November meeting. Seconded by Valerie Tudor.
Unanimous.

XII. OPEN FORUM – already done

XIV. ADJOURNMENT –

Executive Session Adjourned: at 7:11 pm on November 5, 2008.

Minutes prepared by Teddi Stransky, Recording Technician.

Approved by the Board of Directors without corrections on _____
Date

OR

Approved by the Board of Directors with corrections on _____
Date

Signed: _____, Secretary

Date: _____



**Monthly Board Meeting Minutes
Meeting held December 3, 2008**

I. QUORUM – yes

II. CALL MEETING TO ORDER

The meeting was called to order at 4:08 pm on Wednesday, December 3, 2008.

III. ADOPTION OF AGENDA – Adopted as presented.

IV. ROLL CALL

- | | |
|--|----------------------------|
| ✓ Loren Heck, President | ✓ Mary Kastle, Secretary |
| ✓ Ken Wicks, 1 st VP | ✓ Rell Woodward, Treasurer |
| ✓ Randy VanLeeuwen, 2 nd VP | ✗ Bill Vinson, Director |
| ✓ Valerie Tudor, Director (<i>phone</i>) | ✗ Jack Garner, Director |
| ✓ Stephen Sampson, Director | |

Meleana Smith, A & O Director, Teddi Stransky, Recording Technician

V. OPENING – A sign-in sheet for guests was passed (attached to minutes). The President stated that members attending were welcome to make a statement at either the beginning of the meeting or during the Open Forum, but should not disrupt the meeting as this was a Board meeting, not a membership meeting.

Dan Robison asked to speak, as he had no interest in attending the meeting. Mr. Robison said he believed that the corporation was being mismanaged, that school children should not be brought into the subdivision by the school buses. He said if it continued Hawaiian Ocean View properties would be given to the state in ten years, and he was going to send out letters to every resident of Ocean View requesting their proxy to eliminate the Hawaiian Ocean View Road Maintenance Corporation.

Michael Million then said that Steve Sampson had asked him to mention that he had called the Community Center and was told that 6 pm on the 15th and 16th was available for a committee meeting. The group agreed that 6 pm on Tuesday, the 16th, would be fine.

VI. APPROVAL OF PRIOR MINUTES

Note: The minutes were not available to the Board until the day before the meeting.

Motion: Stephen Sampson moved that the November minutes be approved as presented.
Seconded by Ken Wicks.

Approved; two abstentions due to lack of time to read the minutes.

VII. OFFICER'S REPORTS

- A. President – no report
- B. 1st Vice President – No report
- C. 2nd Vice President – No report
- D. Treasurer – Information provided in board packet; copy attached to the minutes
- E. Secretary – no report
- F. Administration & Operations Director
 - 1. Administration
 - a. Office Report – information provided in board packet, with information on the Ka'u CDP; copy attached to the minutes
 - 2. Operations
 - a. Foreman's Report – information provided in board packet; copy attached to the minutes

VIII. COMMITTEE REPORTS

- A. Administrative
 - 1. Bylaws – no report
 - 2. Budget & Finance – information provided in board packet; the Treasurer reported on the income, expenses and profit from the cinder loading operation. Issues surround the cinder operation were discussed.

Motion: Loren Heck moved that we distribute cinder only to those who are members of the Corporation (owners in HOVE) and stop selling to non-members.

No second; motion failed

- 3. Legal – A committee meeting was scheduled for 3:00 pm on January 7th, the day of the next Board Meeting. Residents interested in being on the Legal committee are welcome to attend.
- 4. Personnel – the company Christmas outing at Honu'apo has been cancelled for lack of interest. Personnel discussion was moved to Executive Session. Results will be announced at the next meeting.
- B. Operations
 - 1. Building & Equipment – information provided in board packet

Motion: Loren Heck moved that if the costs for building the new office come in at \$50,000 or more above the original \$100,000 allocated by vote of the membership, that the proposal should go back to the membership for approval, with the details and the cost, of the additional expenditure.
Seconded by Rell Woodward.

Unanimous.

Motion: Randy Van Leeuwen moved that the cost be approved for a drainage study of the leach field and septic tank area, to be submitted to Planning, as required by the Department of Public Works.
Seconded by Rell Woodward.

Unanimous.

2. Road Maintenance – information provided in board packet
3. Membership – Stephen Sampson reported on the November 16th Membership meeting, which he facilitated.

Motion: Stephen Sampson moved that the Board make no decisions on outside road work, driveways, and consolidated lots be delayed until the Membership Committee meeting comes back with their recommendations following the January 15th meeting.

Seconded by Ken Wicks.

Two in favor, four opposed, one abstention; not passed.

It was recommended that the motion be re-introduced at the next meeting, so that input from the January 15th meeting could be included.

4. Safety

Methods of measuring the effectiveness of the speed humps were discussed.

Motion: That measurement be made of the traffic flow at Aloha and Hawaii Blvds, of how many vehicles slow for the speed humps, stop at the intersection, or fail to do either or both. The speed humps should then be removed and the same measurements taken. The same data should be recorded at Princess Kaiulani and King Kamehameha Blvds, and then the humps from Aloha and Hawaii installed there and measurements taken again.

Seconded by Randy Van Leeuwen.

Six in favor, one opposed.

IX. SPECIAL ORDERS – none

- X. A. UNFINISHED BUSINESS – none**
B. GENERAL ORDERS – none

XI. NEW BUSINESS – none

XII. ADJOURNMENT

Motion: Rell Woodward moved that the regular meeting be adjourned so that the board could move to Executive Session to discuss personnel matters.

Seconded by Ken Wicks

Unanimous

There was objection from members attending that they were asked to leave without having an opportunity to voice their opinions.

Motion: Loren Heck moved that the “Open Forum” agenda item precede the Executive Session, so that those who wished to be heard could speak.

Seconded by Mary Kastle

Unanimous

A lengthy discussion between the Board and those members attending the meeting was held.

Motion: Mary Kastle moved that the December meeting be adjourned.
Seconded by Ken Wicks.

Unanimous.

The regular session of the December 2008 meeting was adjourned at 6:38pm.

The Executive Session of the December meeting was adjourned at 6:55 pm on
December 3, 2008.

Minutes prepared by Teddi Stransky, Recording Technician.

Approved by the Board of Directors without corrections on _____.
Date

OR

Approved by the Board of Directors with corrections on _____.
Date

Signed: _____, Secretary

Date: _____

Executive Session results:

Motion: Ken Wicks moved that Dallas Watson be promoted to a full-time employee.
Seconded by Rell Woodward.

Unanimous.

Motion: Stephen Sampson moved that we file a contested case application with the Planning
Department over the Special Use Permit request we received.
Seconded by Ken Wicks.

Approved with one abstention due to conflict of interest.