

BOARD OF DIRECTORS MEETING
H.O.V.E. ROAD MAINTENANCE CORP.
TUESDAY, JANUARY 8, 2002

The regular board meeting was preceded by a special financial meeting with Rick Merschdorf of Merrill Lynch investment company. Goals and objectives were set for the corporation's portfolio.

The board meeting was called to order at 3:50 P.M. by President Steve McKinney. Present were V.P. Vernon Dicke, Sec. John Villevik, Treas. Frank Harper, Merle Martin and Exec. Director Jean Redman. Also present was Tom Perna, Investment Chairperson.

Steve announced that the upcoming road forum would be held on February 23, 2002 at 10 A.M. at the Ocean View Community Center building. Flyers would be sent out to all lot owners in the billing in January.

The minutes were approved. Frank gave the financial statement for the year end. Jean Redman gave the report on the status of work completed to date and how it kept up to the proposed schedule for 2001.

Frank gave the report on the budget and finance committee's recommendation for rebates for the year 2002. Frank moved that a credit of \$14 per lot be given to those owners whose assessments past and present were paid in full by 3/31/02. John Villevik seconded. After considerable discussion regarding the disrepair of our oil distribution truck and the possible need for replacement, Frank moved to transfer an additional \$50,000 for a replacement oil distribution truck into the CRRF, thereby reducing the credit to \$8 per lot. Vernon Dicke seconded the amendment to the original motion. All in favor. The assessment for 2002 will be \$101 per lot with an \$8 credit to those paid up lot owners, bringing the assessment to \$93, if paid by 3/31/02.

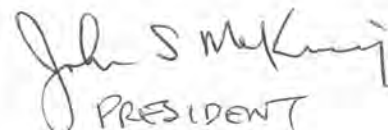
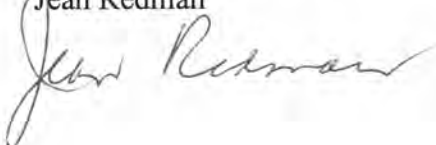
Under unfinished business was the long range plan. This will be tabled until the February meeting. The matter of guard rails was discussed and Jean Redman was asked to contact both the Community Association and the Ocean View Community Development Corp. to see if either of those groups would be interested in acting as an umbrella organization to obtain grant money for the project.

The general annual approval of Art. VIII, Sec. 8.3 of the Articles & Bylaws as it relates to authorization of payroll and related expense checks and payment of routine bills was brought up. It was moved by Vernon and seconded by Frank Harper to approve the authorization. Unanimously approved.

The meeting adjourned at 4:20 P.M.

Respectfully submitted,

Jean Redman



PRESIDENT

BOARD OF DIRECTORS MEETING
H.O.V.E. ROAD MAINTENANCE CORPORATION
FEBRUARY 5, 2002

The meeting was called to order at 4:00 P.M. by President Steve McKinney. Present were V.P. Vernon Dicke, Treas. Frank Harper and Director Merle Martin. Also present was Jean Redman, Exec. Director.

Steve announced that the road issue forum would be held on Saturday, February 23 at 10:00 A.M. at the Community Center.

The minutes of the last meeting were approved as mailed out to the board members. Frank Harper gave the treasurer's report. Jean Redman reported on the progress of work to date on the roads and indicated the majority of fog sealing, paint striping and pot hole repairs would be done in the beginning of the year.

Merle Martin discussed the possibility of asking the owners of commercial vehicles using the road system in H.O.V.E. to include the Corporation as an additional insured on insurance policies and provide us with a copy of same. Merle will work on insurance issues and regulating commercial vehicles within the subdivision.

Tom Lopera, Manulele Services, is surveying the road system in H.O.V.E. We will ask him for periodic progress reports.

The Ocean View Community Development Corporation has agreed to look into the possibility of acting as an umbrella organization for the road corporation in obtaining grants, if possible, for the purchase of guard rails for safety purposes. Henry Otani, Consultant, will work with Mac Kaupu in trying to prioritize the areas where the guard rails would be needed. Vernon Dicke will present the long range plan at the March meeting after reviewing some better figures for road work.

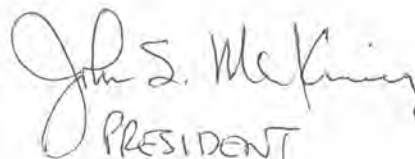
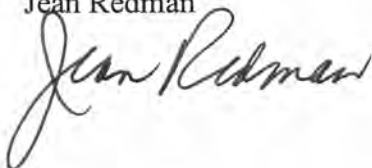
A letter was presented to the Board by a lot owner in H.O.V.E. After discussing the letter of Steve Graham, action will be taken.

An Executive Session was held regarding upcoming Union Negotiations. Frank Harper, Steve McKinney, Merle Martin and Vernon Dicke will be on the committee.

The meeting adjourned at 5:30 P.M.

Respectfully submitted

Jean Redman



PRESIDENT

H.O.V.E. Road Maintenance Corporation
Minutes - March 5, 2002

The monthly meeting of the Road Maintenance Corporation was held on Tuesday, March 5, 2002 at 4:00 P.M. Present were President Steve McKinney, V.P. Vernon Dicke, Secretary John Villevik, Treasurer Frank Harper and Director Merle Martin. Also present was Jean Redman, Executive Director. Visitors to the meeting were Ernie Williams and Steve Graham.

The minutes were approved as sent to the Board members. The Treasurer's report was accepted as presented. The Executive Director reported on the progress to date.

Merle Martin, Membership Chairperson, discussed various ways that we may be able to get lot owners to become board members. Also, the board discussed the problem with large trucks in the subdivision and the liability to the corporation. We will ask our attorney to look into a "hold harmless" certificate that we would require those companies with large vehicles to have that utilize our roadways. Frank Harper moved and Merle seconded that we pursue the legal and insurance aspect of this issue. All in favor.

The guard rail issue was discussed again. Henry Otani, consultant, will be contacted to survey the area and prioritize the areas that are in need of guardrails for safety. The long range plan will be discussed again at the next meeting after more information is gathered.

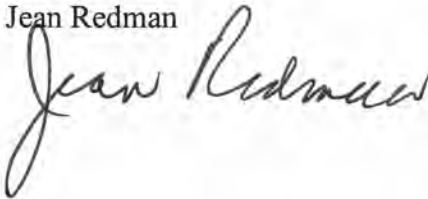
The first preparation of the budget for 2003 was handed out to the board and will be discussed again at the April meeting.

Merle Martin discussed the results of the forum questionnaire that was sent to the lot owners.

The Executive Session was held after the regular meeting and adjourned at 5:45 P.M.

Respectfully submitted,

Jean Redman

A handwritten signature in cursive script that reads "Jean Redman". The signature is written in dark ink and is positioned below the printed name.

BOARD OF DIRECTORS MEETING
H.O.V.E. ROAD MAINTENANCE CORP. - TUESDAY, APRIL 2, 2002

The meeting was called to order by President Steve McKinney at 4:00 P.M. Present were Treasurer Frank Harper, Director Merle Martin, Executive Director Jean Redman, lot owners Bill Noxon and Steve Graham. Excused was Secretary John Villevik and absent was V.P. Vernon Dicke.

Steve McKinney announced that the next board meeting will be held at 3:00 P.M. at the office on Tuesday, May 7. This is an hour earlier so that our financial consultant, Rick Merschdorf of Merrill Lynch can give us an update of our portfolio. Also, the newsletter will be finalized at the August meeting so any inclusions will have to be in by July 15. Merle Martin reported that Councilwoman Julie Jacobsen was interested in the Rural Road Standard.

The minutes of the March meeting were approved as sent to the Board members. The Treasurer's report was given by Frank Harper. Jean Redman reported on the progress to date with road work completed and scheduled. Merle Martin gave suggestions on how we may attract candidates for vacant board positions.

The guard rail issue was discussed under unfinished business and Jean reported that Henry Otani, Consultant, had been out to survey a portion of the subdivision for areas in need of guard rails. He will send a report soon on the priority areas. At that point, we can begin working on getting estimates for materials and labor to go in to the grant writer. Vernon Dicke presented the Long Range Plan. It was tabled until the next meeting in order that we may get a more accurate figure on a couple of items.

Constructing shoulders in the same manner as rebuilding the roads was discussed. This would involve using the "pie cutter" that was purchased and getting a nice clean edge to work with, sloping the shoulders away from the road surface for drainage. Merle moved to do a test strip of 4-5 blocks, Frank Harper seconded. Unanimous.

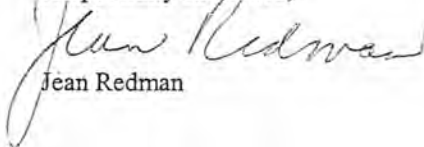
Jean Redman will contact the owners of the large trucks that use the roads in HOVE and ask that they submit certificates naming the Corporation as "additional insured" on their liability policies.

Frank Harper presented the proposed budget for 2003. It is his recommendation and he moved that the assessment for 2003 will be \$90 per lot. Merle seconded. Unanimous.

Under new business came the appointment of 2 new board members to fill the term until the October election. They are Steve Graham and Bill Noxon.

The regular meeting adjourned with an executive session following to discuss upcoming union negotiations. The meeting adjourned at 6:00 P.M.

Respectfully submitted,


Jean Redman

H.O.V.E. ROAD MAINTENANCE BOARD OF DIRECTORS
MEETING - MAY 7, 2002

The meeting was called to order at 3:00 P.M. by Pres. Steve McKinney. Rick Merschdorf, financial consultant with Merrill Lynch gave a presentation. Present were Frank Harper, Treasurer, Vernon Dicke, Vice Pres., John Villevik, Secretary and board members Merle Martin and Bill Noxon. Absent was Steve Graham. Also present was Exec. Director Jean Redman. *Also, Sam JUNG*

The regular meeting convened at 4:00 P.M. Frank Harper gave the Treasurer's report and indicated that the audit had been completed and we were waiting for year end adjustments to be posted to the financial statement. Jean Redman gave the progress report of the road work completed and that to be done. Unfinished business brought up the guard rail issue again. Henry Otani will be contacted to see what progress he has made in coming up with a plan for locations.

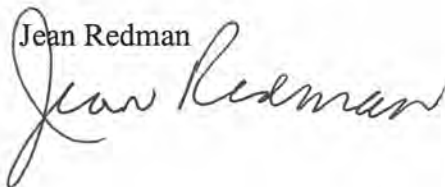
Vernon Dicke submitted the long range plan for 2003 and beyond. Frank Harper moved to accept the plan with the correction of 8-10 blocks to be rebuilt in 2003. John Villevik seconded. All in favor.

Trucker's insurance was brought up. Kona Cinder and Soil and Ka'u Water delivery have been asked to submit certificates of insurance to the Road Maintenance Corporation.

The issue of highway access across the highway from H.O.V.E. (between Ocean View Estates and Ranchos) was discussed. It was agreed to let Vernon Dicke do some investigating.

The meeting adjourned at 4:45 P.M.

Respectfully submitted,

Jean Redman


H.O.V.E. ROAD MAINTENANCE CORPORATION
BOARD OF DIRECTORS MEETING
Tuesday, August 6, 2002

The meeting was called to order at 3:00 P.M. by President Steve McKinney. Present were Frank Harper, John Villevik, Vernon Dicke, Merle Martin & Steve Graham. Absent was Bill Noxon - excused. Also present were Rick Merschdorf, Loren Heck & Jeannie Wilkison.

Rick, representing Merrill Lynch, updated our portfolio and gave an overview of our accounts. He stated that over all, our funds are down approximately \$50,000 from Jan. 1st. It was discussed and decided that Rick will meet with us quarterly with the next meeting to be held Nov. 5th at 3:00 pm.

Loren Heck was in attendance. The board voted, all in favor, to appoint Loren to fill the vacancy on the board. Also, Loren submitted his bio for the Newsletter to run for the board. This will be added to the Newsletter & ballot. Also, Loren was appointed to be our representative to the OVDCD.

The minutes were approved. Frank gave the Treasurer's report and stated we had received approximately ~~\$80,000 since May 31st.~~ Also, Frank reviewed the Foremans Report, some questions came up that would be discussed with Jean later.

The guard rails were discussed. We have been waiting for a report from Henry Otani regarding location, how many feet, cost etc. Merle said he would check with another party that may be interested to replace Henry, as Henry now has a full time job. We have received Truckers Insurance from Kona Cinder & Soil & Kau Water. The possible 3 Lanes at highway intersections was discussed. Mike Bell said he would donate the 10 feet needed, but his work is on hold for now and we should also wait.

The Newsletter was previously reviewed and Merle Martin moved that it be approved with the addition of Loren Heck on the ballot. 2nd by Vern Dickie, all in favor.

An Executive session began at approximately 4:30 pm. The session was held to discuss the upcoming union contract negotiations.

The meeting adjourned at 5:15 pm

Respectfully submitted,

Jeannie Wilkison

(\$814,000 since Jan. 1st (corrected at Sept. meeting)

H.O.V.E. ROAD MAINTENANCE CORPORATION
BOARD OF DIRECTORS MEETING
Tuesday, September 3, 2002

The meeting was called to order at 4:00 P.M. by President Steve McKinney. Present were Frank Harper, John Villevik, Vernon Dicke, Merle Martin, Loren Heck & Steve Graham. Absent was Bill Noxon. Also present were one guest & Jeannie Wilkison.

Steve announced that the General Membership meeting will be held at 10:00 a.m., Oct. 12th at the Community Center. It was decided to combine our October Directors meeting with the annual meeting. Also, keep in mind that new officers will be elected at this time.

Frank asked that there be a correction to the August minutes. It was stated that we had received approximately \$80,000 since May 31st, this should be corrected to read that we have received approximately \$814,000 since January 1st. Minutes to stand approved as corrected.

Frank gave the treasurers report and announced that as of the end of July, we have collected \$819,955 which is approximately 75%. This does not include the rebates made. Also, we are well within our budget. Frank also presented the Foreman's report.

Frank said he had inquired about a self propelled paver. He said that a small minimac would cover about 6 feet and cost between \$125,000 & \$150,000. A larger one would cover 8 feet and cost \$180,000. He should hear from the company in about a week with more information.

Under unfinished business: Since we have not heard from our consultant, Henry Otani, it was discussed that possibly we should advertise for a new consultant. No decision was made at this time.

Forum topics for the Annual meeting were discussed. Four possibilities were discussed: Encroachments, address numbers on our street signs, junk cars and the scope of the road maintenance plan.

A resolution was agreed to on Sept. 3, 2002 to have 2 signers to access our safe deposit box.

At 5:30, an Executive session was held.

A motion was made and passed to accept the 3 year road crew contract that was negotiated with the union.

A motion was made and passed to accept the resignation for personal reasons of the Executive Director, Jean Redman.

The meeting adjourned at 6:30 pm

Respectfully submitted,

Jeannie Wilkison

ANNUAL MEMBERSHIP MEETING &
BOARD OF DIRECTORS MEETING
OCTOBER 12, 2002

The Annual Membership Meeting was called to order at the HOVE Community Center at 10:00 A.M. by President Steve McKinney. Present were Frank Harper, John Villesvik, Merle Martin, Loren Heck, Bill Noxon. Absent were Steve Graham & Vern Dicke. Also present a number of lot owners.

Steve introduced the Board members to the audience.

Ballot results: The ballot results were read as follows. The total votes were 1243. For the approval of the budget the votes were Yes - 1137, No - 73. All the board nominees were voted in.

Executive director: Steve announced that we have a new Executive Director and will be approved by the Board at the Executive Session following the Directors meeting. Rudy Kaupu asked what the job description is and Steve gave him a brief description saying that the job is 2 fold which would entail the supervision of the road crew in addition to the office administration.

Minutes: The last minutes were approved as presented and mailed.

General Discussion / Forum:

Scope of Maintenance / Level of Assessment: There was lengthy discussion on this matter. Steve gave some background information regarding fog seal coats. Safety was discussed in length with the possibility of more warning signs on newly chipped intersections having loose chip. Also encroachments of plants and walls was discussed. The commercial truck haulers was also discussed. Frank suggested that any one having a complaint should either come to the office or call and have a complaint form filled out.

Ongoing Problem of Road Encroachments: This was previously discussed but added that after our survey is completed, we would be sending registered letters informing lot owners of their encroachment.

Ongoing Problem of Abandoned Vehicles: Earlier, the procedure to haul abandoned vehicles away was to haul them to our pit and the County would pick them up in time. This has since changed for various reasons and now the police would need to be called, they would come and tag the vehicle as abandoned and after so many days, the County should haul it away.

Use of Block Address Numbers on Road Signs: Steve stated that according to Steve Graham, a map in Hilo has an address for every lot and it is public record. Currently, finding an address, especially in an emergency, was difficult, so it was suggested we might have the address numbers contained for the block posted on our street sign. This would not be a "road improvement" but something to check on for costs.

Personnel Action Committee: Steve said we needed a committee to work with the Board and the county. The road Corp. cannot be political, so we need a committee. Merle said he could work with the committee. Steve said anyone interested could give their name to Jeannie at the office.

Other Topics: Rural road standards were discussed. If the County were to adopt a standard, possibly they could accept the responsibility for the maintenance. This would be a long range goal for us.

Bill Lucas stated that he had heard that funds were misdirected or lost in the Corporation accounting. It is rumored that money has disappeared. He asked the Board if there was any truth to this or is any accounting being done. Steve said that an audit is being done with no final results as yet. He also said that if the audit is okay, then the rumors were wrong. If the audit is bad, he will go to the attorney as this is not a Board decision. It will also depend on the lawyer if the information is to be released to the community. Bill further stated that he had contacted the State Attorney General's office and had opened a file. Once they receive a follow up letter, they will be compelled to follow up. Steve said that the Board is dealing with it now and if wrong, the corporation attorney will make any decision to the Board. He stated that Ann Fukuhara is our auditor and the Board has not decided about the attorney.

At 11:35, the Annual Membership Meeting was adjourned and the regular Board meeting called to order.

Election of officers were made.

Frank Harper nominated Steve McKinney for President - Steve accepted

Frank Harper nominated Loren Heck for V.P. - Loren accepted

Merle Martin nominated Frank Harper for Treasurer - Frank accepted

Steve McKinney nominated Vern Dicke for Secretary - He was absent, but was elected.

Steve announced the committee chairman:

Budget - Frank Harper

Planning - Vern Dicke

Road - Steve Graham

Legal - Loren Heck

Gov't Liaison - Merle Martin

The minutes were accepted as presented.

Frank gave the Treasurers report stating we had \$797,685 with Merrill Lynch. He said we were in good shape money wise. Merle Martin moved to accept the financial statement as presented. 2nd by Loren Heck, All in favor

Frank read the Foremans report. There were no committee reports.

The surplus equipment bids were read as follows: The welder was bid at \$500. which was the minimum. Frank moved we okay the bid, 2nd by Merle, all in favor

The service truck was bid at \$250. and had a minimum of \$500. The air compressor was bid at \$350. Frank moved we accept the bids as presented, 2nd by John, all in favor.

The meeting was adjourned at 12:00 and those in attendance were asked to leave as the Board would now be holding an executive session.

Respectively Submitted, Jeannie Wilkison

HOVE ROAD MAINTENANCE CORPORATION
OCTOBER 2002 ELECTION

MASTER TALLY SHEET

1. APPROVAL OF THE YEAR 2003 BUDGET AND ROAD PLAN

TOTAL LOTS:	1242
YES VOTES:	1137
NO VOTES:	73
NON VOTES:	31
VOID VOTES:	1

TOTAL VOTES	1242

2. ELECTION OF DIRECTORS

TOTAL LOTS:	1242
BILL NOXON:	1123
LOREN HECK:	1120
STEVE GRAHAM:	977
NON VOTES:	506
VOID VOTES:	0

TOTAL VOTES:	3726

Martin W. Wilkins

H.O.V.E. ROAD MAINTENANCE CORPORATION
OCTOBER, 2002 ELECTION

(1) VOTE REGARDING 2003 BUDGET AND ROAD PLAN

BALLOT GROUP	NUMBER OF LOTS	NO. OF BALLOTS	YES VOTES	NO VOTES	NON VOTES	VOID VOTES
1/2	147	100	140	3	3	1
3/4	141	100	126	6	9	0
5/6	150	100	145	4	1	0
7/8	153	100	144	3	6	0
9/10	148	100	135	6	7	0
11/12	174	100	148	24	2	0
13/14	164	100	144	17	3	0
15/16	132	100	128	4	0	0
17	33	22	27	6	0	0
TOTALS	1242	822	1137	73	31	1

2. VOTE REGARDING ELECTION OF DIRECTORS

BALLOT GROUP	# OF LOTS	BILL NOXON	STEVE GRAHAM	LOREN HECK	NON VOTES	VOID VOTES	# OF VOTES
1/2	147	125	91	133	92	0	441
3/4	141	129	118	136	40	0	423
5/6	150	126	114	134	76	0	450
7/8	153	145	145	121	48	0	459
9/10	148	126	136	147	35	0	444
11/12	174	153	135	165	69	0	522
13/14	164	141	108	127	116	0	492
15/16	132	141	102	126	27	0	396
17	33	37	28	31	3	0	99
TOTALS	1242	1123	977	1120	506	0	3726

H.O.V.E. ROAD MAINTENANCE CORPORATION

BOARD OF DIRECTORS MEETING
NOVEMBER 5, 2002

Meeting Called to Order: 3:00 PM

By: Pres. Steve McKinney.

Present at Meeting: Frank Harper, John Villevik, Merle Martin, Loren Heck,
Steve Graham & Gladi Hoagland

Absent: Vern Dicke

Treasurer's Report: Frank Harper gave the treasurers' report and announced that we are well within our budget figures for "Chip and Oil" but that next year he would need to increase the "Traffic Signs" budget as it was too low for 2002. Frank noted that the investments accounts need to be combined on the Balance Sheet. He also expressed that he didn't have the most current figures for total monies collected to date but that he should receive them before the next board meeting.

Executive Director's Report: Gladi Hoagland presented the Foreman's Monthly Report and gave a short update on the status of accounting. The Board suggested the Foreman's Report should have explanations in the remarks section when the road maintenance crew is substantially behind on their scheduled projects. The Board also expressed concern that "painting of blocks" isn't further along in completion.

Old Business:

Abandoned Vehicles - Board briefly discussed the subject of vehicles left on the roadsides. It was suggested that when we know the name of our elected representative that we need someone to call him/her and remind them of the county's responsibility to tow the abandoned vehicles in a timely manner.

Fires and Accidents - Road Maintenance Crew's responsibility to help in emergency situations: the Board expressed that there has long been an unwritten policy that the Road Maintenance Crew has been authorized to report to fires and accidents and to respond when their help is expressly requested.

Block Address on Street Signs - The Board discussed that we do have someone who would be willing to visit the Hilo Planning Department and discover how the numbers are assigned in order to investigate the feasibility of adding numbers to the street signs. The Board suggested that the previous investigation would have to be done before we assign financial budget figures to the project. The Board also directed the Executive Director to call the surveyor, Tom Lapera, to give us an updated progress

report of the road surveying as that would also have to be completed before any signs could be permanently relocated on the roadways.

Heavy Truck Fees - The Board discussed the need to levy fees on the heavy trucks that use our roadways: How do we proceed to levy such fees? The Board also inquired re: the status of the "Additional Insured" certificates from these same truckers and was notified that we are still in the process of getting them processed. A motion was made and passed unanimously to table the discussion.

Concerns of Owners - The Board directed the Executive Director to talk to Mac Kaupo, the road crew foreman, to find out if we need more signs or if we have enough "Caution, Loose Chip" and "Dangerous Corners" signs in place and also to keep closer attention to intersections with dangerous conditions. Also, the Board instructed that if anyone should have a complaint regarding any unsafe conditions on our roadways, that they should call the Executive Director or come in and fill out a complaint form and we will address the problem as soon as possible, according to the severity of the safety problem.

Committee Reports: None

Members Action Committee: No members of the community volunteered to be involved.

New Business:

Relocation of HOVE Road Maintenance Office - The Board discussed the pros and cons of relocating the road maintenance administrative office to the same lot that the road maintenance yard is located and to building a new office there. The Board agreed that financially and for improved communication between the road crew and the administration office, the move would be more advantageous than not.

A motion was made and passed unanimously to budget \$100,000.00 for the planning and construction of the new office building.

Petty Cash Fund - A motion was made and passed to set up a \$100.00 petty cash fund at the administration office for miscellaneous expenses: 5 for and 1 abstained.

Executive Session: 5:30 PM

A motion was made and passed to confirm and to continue the policy set forth in the Executive Session of the May 6, 1993 Board Meeting which is to tie the office assistant hourly pay to the equipment operator hourly pay.

Meeting Adjourned: 5:40 PM

Respectfully submitted: Gladi Hoagland

H.O.V.E. ROAD MAINTENANCE CORPORATION
BOARD OF DIRECTORS MEETING

Tuesday, December 3, 2002

President Steve McKinney called the meeting to order at 4:05 P.M.

Board members that were present: John Villevik, Vernon Dicke, Merle Martin, Loren Heck, Steve Graham & Bill Noxon. Absent was Frank Harper.

Also present were two guests & Gladi Hoagland.

There were two corrections to the November minutes: Bill Noxon was present; and Rick Merschorf of Merrill Lynch provided a brief investment update immediately before the November board meeting.

Steve gave the treasurers report by reviewing the financial statements. Gladi presented the Foreman's report.

Peter, a visitor and HOVE lot owner, expressed his concerns regarding the extended use of our roads and the cinder pits during early (before 7:00 AM) & later (after 5:00 PM) times and on Saturdays & Sundays. Thereafter followed a lengthy discussion as to exactly what the community could do to regulate the heavy trucks, principally Kona Cinder and Soil, from operating at the aforementioned times. Steve directed Gladi to call Chuck of Kona Cinder and Soil to inform him of the complaints and to find out if he was going to continue to work at these undesirable times. Also, find out if he would be willing to sign an agreement or at least verbally agree to schedule the company's work during the hours of 7:00 AM to 5:00 PM / Mon.- Fri.

Old Business:

The "Abandoned Cars" problem was again discussed. There are several groups that are addressing this continuing problem and are trying to get our elected representatives and the county of Hawaii involved in finding a viable solution.

Another visitor, Anna Young, expressed concerns regarding the HOVE road crews' tearing up of the area of roads on Hukilau and Catamaran for six (6) months and not having a backup plan to finish the road when the water truck needed repairs. The board assured her that this was an unusual set of circumstances and that the road maintenance crew would make every effort to prevent the previous situation from happening again.

New Office Building – There was some discussion of the type of building we would construct but nothing was formally changed as to the content of the building. No new information was submitted since we are still awaiting bids to be submitted.

Trust Fund Management – There was some discussion of our investment policy with Merrill Lynch as being too speculative but no changes were made at this time.

New Business:

Long Range Plan – Vern, Steve Graham, Gladi and Mac Kaupo need to have a meeting to discuss and update the long-range plan. They agreed to meet the following Monday morning.

Government Appointee Endorsement – Steve asked if the board would agree to send a letter drafted by Loren Heck stating his qualifications for his board position and possible appointment to the County Water Commission.

A motion was made, seconded and passed unanimously to accept Loren Heck's letter as drafted and send it to the County Water Commission.

Naalehu School Yearbook Donation – the board decided that the corporation would refrain from setting a precedent by making a donation but that the board members could each make a donation individually, which they did.

Board Member Resignations – John Villevik resigned because he is leaving the area. Steve Graham resigned because the meetings were impacting on his work.

At 6:00, an Executive session was held.

A motion was made and passed to give a \$500 bonus to each full time employee of the road crew; a \$250 bonus to the Executive Director (since she has not been in the position very long) and a one-time award of \$500 to the Office Assistant for diligence and honesty.

The meeting adjourned at 6:25 PM

Respectfully submitted,

Gladi Hoagland