



The Beachcomber



HMC Newsletter

March 2010



<http://www.herronisland.org>

President's Message

Since the last Beachcomber in January, it has been a very busy time. Our Island Manager discovered a new opportunity for funding our water system upgrade. The Federal Department of Agriculture (USDA) has a program for rural water systems to apply for loans and grants to improve their infrastructure. In conversations with USDA representatives, the Island Manager learned that we qualify for a loan, that the loan rates are currently 3.25% with a 40-year term, and that loan could be used to cover all the capital expenditures for upgrading our current water distribution system. We may or may not qualify for charitable grants, because there are other rural water systems out there that are in worse condition than ours. Whether we qualify for any such grants will depend on who actually applies and when they apply. The USDA opportunity does have restrictions and time is one of them. To even have the opportunity to participate in this program, it is imperative that we proceed as quickly as possible. No one will speculate on whether Congress will extend this program or change rates and qualification requirements. As a result of this opportunity, the Board has authorized a three-part vote on whether to 1) proceed (in general) to upgrade our water system, 2) authorize expenditure of HMC reserve funds to provide the design and other loan submission documents, and 3) possibly amend our Articles of Incorporation to fix an authority section that was inadvertently omitted by the 2004 revision of our Articles of Incorporation. Many members of the Water Project Committee believed that we do not have enough solid information to make a choice between retaining ownership of our water system and funding the upgrade ourselves or transferring ownership to a public utility and letting that utility fund and operate the water system thereafter. The upcoming ballot will not ask you to make that choice right now. We need to have more public meetings and information for the membership to make that decision. This vote now just helps us to define and move ahead to confirm

the needed information. If we don't act now, the opportunity very well may not be available in the future.

Included in this Beachcomber are sections from our annual financial audit required by law. To save money on printing and mailing, we have only included the pertinent sections. The entire audit report is available on the website and at the HMC office. We have included an explanation of some of the issues with the audit that is based on accrual accounting with depreciation of assets and the cash flow on which we base our budgets and assessments. The audit does indicate we are in good financial shape and that our budgeting process has been pretty good.

We are close to finishing negotiations with the Inland Boatmen's Union representing our ferry crew. When that is completed, we will continue to pursue an opportunity to act as the first response in case of an oil spill during the fueling of our ferry. This opportunity can save us significant costs every time we fuel the ferry. It will require purchase of a boom with storage and deployment equipment and it will require crew training to deploy the boom. If this can be accomplished, we can avoid the current costs of having a separate contractor move a boat with the all the equipment closer to Herron Island to be able to respond within an hour. This is another case where our ferry crew is helping us save money.

Another big project proceeding is the replacement of our dolphins and pilings for the North Beach docks. The Dolphin Committee has selected an engineering firm as a result of an RFP to examine and evaluate our current dolphins. This is necessary to determine how much time we have to replace them and what options and costs are going to be available to us. We have been contributing to our reserves for several years now based on little hard information. This project will give us the information needed to determine what is actually needed and in what time frame.

(Continued on Page 3)

Important Phone Numbers**Island Manager**

Claudia Ellsworth (253) 884-9350

HMC Board of Trustees

Fred Fath, President/Treasurer (206) 246-7016

Kathy Deuster, Vice-President (253) 884-6898

Janet Podell, Secretary (253) 874-2452

Judy Greinke, Assistant Treasurer (253) 857-5463

Mark Anderson, Member-at-Large (253) 677-3900

Additional Responsibilities

Mike Shettlesworth, Transportation Chair (253) 884-6919

Mike Davis, Water Operations (253) 884-1423

Dick Mowry, Water Field Examiner (253) 884-7663

Dick Zottman, Water Field Examiner (253) 884-9071

Scott Schultz, Water Repair (253) 884-3196

Max Hochanadel, Rules Chairman (253) 884-1948

Tracy Anspach, Parks Chairman (253) 588-1921

Allen Moren, Roads Chairman (253) 884-2721

Mike Davis, Emergency Prep. Chair (253) 884-1423

Kathy Deuster, Land Use Chair (253) 884-6898

Eric Bergson, Technology Chair (253) 830-4413

Carolyn Snyder, Office Manager (253) 884-9350

Ken Freeman, Beachcomber/Webmaster (231) 544-2456

Herron Island Office Hours: Tuesday, Thursday, Friday 8:30 am to 4:30 pm. The office is CLOSED Monday, Wednesday, Saturday, Sunday, and after 2:00 PM on Fridays before board meetings.

Office Phone: (253) 884-9350

Office Fax: (253) 884-5047

Website: <http://www.herronisland.org>

Office Email: Office@herronisland.orgManager email: HMCManager@herronisland.orgBeachcomber: beachcomber@herronisland.org

**Emergency 911
Ferry Cell phone (253) 691-1457**

(Cell phone to be used for scheduling heavy loads, big vehicles or having something in tow, and for information regarding ferry services.)

Delinquency List as of March 16, 2010

BALDWIN - FURGASON - KENNISON - KREBS - MARCINKO - RUCKSTEIN - TCHOCHIEV

Ferry Business

- **Call ahead if you are planning to use the ferry for a trailer, boat, or large vehicle!**
- **Only those guests with valid passes will be allowed on the ferry.**
- **Plan your arrival at the dock at least 5 minutes before the scheduled time of departure.**
- **Walks-ons are not to be on the dock or ramp when cars are being loaded. Watch crew for permission to board.**
- **Only service and delivery people may charge fares.**

WE HAVE EXPERIENCED GUESTS AND SERVICE PEOPLE EXPECTING TO COME OVER TO THE ISLAND WITHOUT GUEST PASSES. THIS VIOLATES THE ACCESS POLICY THAT WAS PUT IN PLACE FOR ALL OF OUR SECURITY. PLEASE MAKE SURE YOUR GUEST HAS A VALID GUEST PASS SIGNED BY YOU TO ENSURE THEY ARE ABLE TO RIDE THE FERRY. BLANK GUEST PASSES ARE AVAILABLE TO MEMBERS AT THE OFFICE, BY MAIL, AND ON THE FERRY.

Beachcomber news items must be submitted by 5:00 PM on the Wednesday after the monthly Board meeting on the second Saturday of the month. Items **MUST** be emailed in electronic format to beachcomber@herronisland.org. Include your name and phone number in case any questions arise. Paid advertisements are to be arranged with the HMC office **PRIOR TO PUBLICATION.**

President's Message
(Continued from Page 1)

We are starting the annual budget process. This next fiscal year will see costs for both the ferry shipyard expense (which occurs every two years) and for the engine overhaul (which occurs every three years). We have made contributions to both reserve accounts, which will ease the burden on the budget for next year. We recognize the strain the assessments put on our members and we try to keep costs down as much as possible. The big changes for water and docks will not likely happen in our next fiscal year. The proposed budget and assessment will be included in the May Beachcomber, formally presented to the Membership at the annual meeting in June, and voted on in July.

There was a request by a member for information on expenses incurred by HMC in dealing with an HMC encroachment on two member's properties and some storm water drainage issues on the south end of the island. To date, a total of \$12,200 has been expended, most of which was spent on legal fees and design costs rather than actually fixing the problems that were identified. The actual numbers will be posted in the March Board meeting minutes on the web following formal Board acceptance of the minutes. We are currently looking at approaches to cooperatively fix the problems we found rather than spending even more money on legal challenges. This will benefit all HMC members.

Finally, we would like to acknowledge and thank several island members who have been volunteering time to clean up garbage on the island and even the road on the mainland leading to the island. It sure would be nice if all of us would watch our litter (and our guest's litter) and not put the burden on volunteers to clean up after us. This also goes for vandalism where members or guests cause damage to HMC parks and docks. The small boat docks are going back in April; if you have a boat on the dock and any storm is forecast, please remove your boat. Damage to the docks is primarily caused by boats tied up during a storm. Recent damage to our ball field was caused by guests of a member driving on the field, which should be repaired by the member and not have to be repaired by our volunteers. All Members should pitch in to keep litter and damage from happening in the future.

Fred Fath
President

Board Candidates Needed!

Please consider running for the Board of Directors. An application is printed on Page 9 of this issue and must be turned in to the office by 10:00 AM on May 8th. Three vacancies will be filled at the Annual Membership Meeting on June 12th.

Welcome, New Islanders!

HMC welcomes the following new members to Herron Island:

- Elissa and Nick Whittleton
- David and Hilary Skillings

Vehicle Stickers

All island vehicles, including boats and boat-trailers need a (FREE) HMC sticker. If the sticker for your Boat, Golf Cart, ATV, or Boat Trailer is not either Brown or Blue, please obtain a new sticker from the HMC office.

Board Member Email Addresses

HMCFredFath@herronisland.org

HMCKathyDeuster@herronisland.org

HMCJanetPodell@herronisland.org

HMCJudyGreinke@herronisland.org

HMCMarkAnderson@herronisland.org

Please use these email addresses for all future communications to board members. They can be accessed on our website (herronisland.org) under the HMC Board tab.

**HMC Management
Island Manager Report
Board Meeting
March 13, 2010**

Administration

- **Insurance:** Premium renewals have been coming in on our insurance policies, and it appears that the insurance market may be a little “soft”. Premiums have been coming in at about 5% below last year’s. Our marine package policy (hull and machinery, protection and indemnity) has declined from \$23,607 (plus \$409 membership in the Passenger Vessel Association) to \$22,050, a savings of \$1966, or 8%.
 - **Facilities:** We continue to await repair of the driveway in front of the community building. Steve Kramer is assisting with this. Please watch your step!
 - **Signage:** The ferry crew has requested signage that asks passengers to not use handheld devices while boarding or disembarking. We will be working on a sample sign for each side. Other facilities issues include future painting and repair of the employee sheds on the mainland and island side.
 - **2010-2011 Budget Preparation:** The time has arrived to begin budget preparation for the next year, and I have contacted the committee chairs to work on projections.
- Recycling:** In the category of “no good deed goes unpunished”, TruRecycle missed the ferry on Saturday, March 6, and so the community building was blessed with a conglomeration of trash items. Mike Davis is working to reschedule. Some items don’t fit the recycler’s profile, and may need to be hauled off by other means.

Water Distribution System Replacement:

- Bruce Whittle (USDA) paid a visit to the Island as planned on February 23rd. This site visit is a required part of the application process. Mike Davis, Judy Greinke, Kathy Deuster and I attended and accompanied him on his tour. Steve Chapin was unable to attend. Bruce noted that the current interest rate on USDA loans is down to 3.25% from 4.25%, and that in some cases, grant funds are available for a portion of the water systems. We don’t know if we qualify for this latter source of funds.

(Carolyn noted in an old Beachcomber (March 1998) that the island carried a long term commercial (KeyBank) debt for construction of new ferry docks (funded in 1995). The applicable interest rate at that time was 9.25%, which illustrates how low rates have fallen.)

We also contacted Mike Ireland of Washington Water, who commented on the low rate now available from USDA, and indicated that Washington Water would be interested in both constructing or maintaining/operating the system, although ownership by WWSC would be subject to “a fair amount of investigating to make sure it was the right fit for both Herron island and Washington Water....”

As a next step in the preliminary work to replace the system, we were notified by the State Department of Archaeology & Historic Preservation that they would require an archaeological and cultural review of the project area. This work would be required regardless of which avenue of

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Island Manager Report
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funding HMC chooses. We are in touch with two different firms that do this type of work, and should have an estimate and scope of work from them soon.

Water: Nothing to report, other than clean water samples. Two members obtained encroachment permits to bring utilities to their properties, and have agreed to restore the roadway to island standards, after some expected settling occurred. Mike Davis was on hand to make certain there was no damage to the water system.

Emergency Preparedness:

- **Natural Hazard Mitigation Plan:** We shared several sections of the plan with the Emergency Preparedness Committee on March 9. Lou Dooley of Pierce County Emergency Management is working on the rest of the sections. We hope to have the entire plan to the Committee for comment at its next meeting, April 13, and hope to forward it to the Board for adoption at the May 8 meeting.

Fire Department Liaison:

- **Island Spring Burn:** FD#16 Division Chief Chuck West has granted permission for HMC to conduct its annual burn, subject to the same terms as in the past. The \$50 permit fee is included in this month's bills. The chief was complimentary to the island members about how the burn has been conducted in the past.

Land Use:

- A survey was conducted on the island for derelict vehicles and trailers. Over time, we will use this list to contact owners and request that they take action to remove the derelicts. There are some 23 sites on the list. Members who are aware of other derelict vehicles, travel trailers, etc., can independently contact PCResponds on the Pierce County web site: www.co.pierce.wa.us.

Legal Liaison:

- Seven delinquencies, five of which are at the attorney's office. (One resolved since February's meeting.)

Parks:

- **Vandalism:** On the weekend of February 20-21, several members witnessed a blue jeep with collector's plates driving across Goodpastor Park and at North Beach. The jeep caused surface damage at both locations. We have written to the owner/member of the property, and to his renter, but have heard nothing from either of them. Members who witness this or similar incidents should come to the office to provide us with details, so that we can take appropriate action against the member and/or renter and his or her guests.

Roads:

- **Road Maintenance:** Kramer's Excavating has provided us with a price list, and is a licensed, insured contractor. We asked Steve Kramer to provide this information so that we have back up resources in the event Dick Mowry is unavailable.

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Island Manager Report
(Continued from Page 5)

- **Trees:** There is still wood at 812 West Herron and at Fir Lane for those who might want to take it for use as firewood.

Rules: No report.

Transportation:

- **Oil Spill Containment:** The alternative plan is nearly ready to send off to Associated Petroleum for their approval. Because of budget considerations, we may still hold off on implementation until the new budget year. Once APP has okayed the plan, we will check to see if budget status allows us to go ahead at that time.
- **Pierce County Wharf Easement:** No news.
- **Dock Inspections:** The report on dock inspection should be in our hands within a day or two.
- **Dock Gantry Lights:** Birch Electric has paid a couple visits to work on the lights, and also on a problem causing the ramp breaker to trip during the first landing in the morning. The crew has found a “work around”, but will continue to monitor for problems.
- **Marine Facility Survey:** KPFF submitted a Scope of Work and Fee Proposal following notification that they had been selected. These were reviewed by members of the selection panel, and are now incorporated as exhibits to the proposed contract which is ready for Board approval.

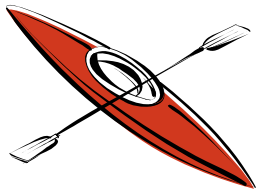
The estimated cost for this Phase I of the project is \$31,128, and this phase is to be completed by October 1, 2010. Results of the dock inspection will be provided to the consultant for use in this phase of the marine facility review. KPFF notes that in the event a dive inspection is required they will advise us. The additional cost of a dive inspection is estimated at about \$6,000. This would only be performed if KPFF is unable to access the marine structures at low enough tides to gather the needed information.

Phase I is the conditions assessment. Phase 2 would be a design report, laying out more specifically any work to be done, including permits, costs and schedule. Phase 3 includes Plans, Specifications & Estimates (PS&E's), permit applications, and special studies necessary to construct repairs, rehabilitations, or replacements included in the Design Report. Because of the complexity of any work to be done, and the extensive permitting process, construction on any of these repairs or replacements would not begin until at least 2012, allowing time to accumulate further reserves to maintain our marine infrastructure. At this point, HMC has nearly \$200,000 in Docks and Dolphins Reserves, which can be used to fund this phase of the project.

Thanks again to Benn Burke, Kris Mullan, Jean Mellor, John Farris, Terry Fletcher and Judy Greinke for their help with this project.

Technology:

- **Ferry Fare Collection:** Terry Fletcher/Fred Fath
- Terry Fletcher continues to help us in the office with file backup and file sharing improvements.



Reminder

Our summer ferry schedule begins on Thursday, April 1st. The schedule is the same as winter's, except that 2:30/3:00 runs are added on Monday and Friday and 1:30/2:00 runs are added on Sunday.

Is Your Boat or Kayak "HMC Stickered?"

All small boats and kayaks stored at the North Beach in the designated area must have a valid HMC sticker posted in a prominent location. Boats and kayaks that are not stickered will be considered abandoned and will be removed after April 15, 2010. Please take time to insure your small boat or kayak is properly stickered and stored.

Join Herron Island Parks as we
"Get A Round Tuit"
with our
4th Annual Parks Appreciation and Earth Day Event
Saturday, April 24th, 2010

This year we will be installing the small boat docks and have projects and clean-up planned for each of our parks. We need all the help we can get!

Bring your family and friends and meet at
9:00 am at the
Fire Hall / Community Center –
Lunch provided for helpers upon completion.

**Welcome to Herron Island
Easter Sunrise Service
Sunday, April 4, 2010**

There will be a special ferry run from mainland at 7:00 AM for our guests and Mainlanders.

Service starts at 7:15 AM, with coffee, hot chocolate, and special treats.

Come early and visit or help set-up. We thank you.

Our guests this year are sharing special music and wonderful old hymns. Harvey Roberts will provide a special Easter message and we welcome back Mary Ann & the Key Peninsula Singers.

**Come and experience a very special and wonderful time.
We look forward to seeing you.**

Dallas Amidon and Committee



Did you know?

In 2009, the "Charlie Wells" carried 66,035 passengers (roundtrip) and 36,952 vehicles? Federal law requires that we report these numbers annually to the Army Corps of Engineers.

Tide Tables

Plots of the monthly tide tables are available on our website (herronisland.org). The plots are for nearby McMicken Island, which is the NOAA data point closest to Herron Island.

BOARD CANDIDATE APPLICATION

(Please complete and return to HMC office by 10:00 AM, May 8, 2010)

NAME (as you would like to have it listed on the ballot): _____

YEARS AS A MEMBER OF HMC: _____

OCCUPATION: _____

PROFESSIONAL OR VOLUNTEER EXPERIENCE: _____

EDUCATION OR TRAINING (including school, military training, and professional courses)

Institution

Type of Training

HMC EXPERIENCE ON THE BOARD, COMMITTEES OR OTHER ACTIVITIES:

GOALS: Please list goals you would have for HMC and Herron Island during your term on the Board.

CANDIDATE STATEMENT: Please do not include statements campaigning for or against other candidates.

Candidate's Signature: _____

Guest Pass Reminder

Each guest pass must be fully completed and signed before giving it to the deckhand. Members are responsible for the conduct of their own or their renter's/roommate's etc., guests while on Herron Island.

Charges are only allowed for service providers. In order to save time and money, please include the name of the business or the type of service the person named provides on your guest pass.

Assessment Reminder

Second half assessments (\$750.00) will be billed on April 1st. Payments are due no later than 4/30/10. Payments postmarked/received after April 30th, will incur a \$30.00 handling fee.

Report Vandalism, Please

On the weekend of February 20, a guest visitor drove across Goodpastor Park and North Beach Park, damaging the turf. This act was witnessed by several island members, but no one has identified the visitor by name. HMC is following up with the member to determine whether a Rules violation has occurred, and steps need to be taken to repair the turf. The office requests that if you witness this or any other criminal act, that you call 9-1-1 to report it. 9-1-1 does have a nonemergency report desk which will take the information and make a report.

AirCare Program Offered by Airlift Northwest

Airlift Northwest offers a membership program that helps provide communities in Washington and Alaska with high-quality air medical service at an affordable cost. Under the program, Airlift Northwest is requested by a medical facility or an emergency response team to fly a critically ill or injured patient to appropriate medical care. The portion of the Airlift Northwest bill that isn't covered by insurance or Medicare is paid through the membership. A membership in AirCare is \$79 a year and covers all members of a household.

More information and background on the program can be obtained at the website www.airliftnw.org. Airlift Northwest Membership Services: 1-888-835-1599.

Land Use Committee Report

What is the Land Use Committee Up To?

The HMC Board has asked the Herron Island Land Use Committee (LUC) to research and make recommendations to address areas where HMC Members encroach upon HMC property.

Why are we looking at this now?

Property encroachments are not a new thing. For many years, both HMC Management and individual HMC Members have permitted several encroachments to exist. Even now, individual HMC Members continue to create new encroachments, usually because they are unaware of their own property boundaries.

Indeed, one of the most prevalent areas in which members encroach on HMC property is along the roads; the area owned by HMC Management is most often quite a bit wider than the traveled surface of the road, and the road many times meanders within that area. Everyone benefits from knowing the location of the actual boundary between their property and the HMC property on which the roads are located, however, not all members are aware of those boundaries.

In addition to a desire to protect individual property rights and those of HMC, this inquiry is driven by the increased regulatory involvement in property development. The Island's plan for improvement of the water system clearly illustrates the types of encroachments that affect all of us as HMC Members. The LUC is simply responding to a long-standing issue that has gone unaddressed, and is trying to fulfill its role to improve the management of HMC resources.

What do we hope to accomplish?

The LUC intends to recommend protocol that will help identify and research encroachments, promote methods of resolution, and educate HMC Members to improve their awareness and sensitivity to encroachment issues. The ultimate goal here is to engender respect for property boundary lines and to prevent future encroachments.

What are the areas we already know we need to consider?

The LUC has already held several meetings at which it has identified areas to be considered and addressed with respect to encroachments. These include (but are not limited to):

1. Water system installation along the boundaries of property on which the HMC roads are located;
2. HMC Member awareness of the location of their own property lines, for example, where an HMC Member's property stops and the HMC roadway property begins;
3. Expectations of new HMC Members when they purchase their property;
4. Driveways and other property access;
5. "Major" encroachments, such as roadways, culverts, buildings, fences, retaining walls, utilities, etc.;
6. "Minor" encroachments, such as address posts, mailboxes, garbage can holders, etc.; and vehicle parking.

What is next for the LUC?

The LUC is working to develop a standard protocol for identifying and responding to reported encroachments. Although the LUC will not be able to provide legal advice, the LUC hopes to be developed into a resource for HMC Members to understand their property boundaries and the rights and responsibilities with respect to adjacent property owners.

A Time Sensitive Community Garden Offer

Please call Dana by April 15 at 253-884-6898 or send an email at walogcabin@yahoo.com to confirm you will be a return gardener or wanting a garden plot. Past gardeners will attest we grow the best vegetables in Pierce County. The Community Garden Charter is presented below.



HMC COMMUNITY GARDEN

The HMC Community Garden is available for deer-proof gardening while enhancing community spirit and the aesthetic beauty for all islanders to enjoy.

DESCRIPTION:

- Located at 1003 East Madrona Blvd. and owned by HMC Management
- Provided for all members/renters use
- Access around all sides outside the 8 ft. fenced central area
- Property has tool shed, greenhouse, mulch recycle pit, 2 picnic tables, work table, and sink outside fenced area
- 2 entrance gates into the fenced area
- 2 water taps with adequate hoses
- 20 equal sized growing plots
- Gravel walkways for access to all plots inside fenced area

MANAGEMENT:

1. Annually, plot availability will be published in Beachcomber. All gardeners must request a plot, and returning gardeners will continue to use the plot they had from last year. If a gardener had a break in using the Community Garden, a different plot from the earlier assignment will most likely occur. New gardeners will get a plot assignment on a first-come basis. Multiple plots will be assigned when there are less than 20 requests. Consequently, no one will have multiple plots when there are 20 requests to have a plot.
2. All gardeners must accept responsibility for the upkeep of their assigned plot; including maintenance of the gravel path area bordering their plot; clean up and disposal of weeds; water use; litter patrol. Gardeners may construct elevated growing boxes; decorate with garden ornaments; etc. These must be removed when a gardener does not expect to request a plot in the upcoming year.
3. Annual expenses, as they occur, will be shared by all gardeners (ie. Hose replacements, etc)
4. This Community Garden will continue to be locked to deter vandalism/theft. Padlocks are replaced as needed.
5. HMC provides lawn mowing services outside the garden fenced area.

The HMC Board will review and either approve or revise this document at a frequency of at least every five years.

February 13, 2010

WINTER FERRY SCHEDULE (10/1 through 3/31)

MON		TUE		WED		THUR		FRI		SAT		SUN	
IS.	ML.	IS.	ML.	IS.	ML.	IS.	ML.	IS.	ML.	IS.	ML.	IS.	ML.
6:15	7:00	6:15	7:00	6:15	7:00	6:15	7:00	6:15	7:00				
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								8:30	9:00				

Thanksgiving and New Years: Lv. Island 8:30, 11:30, 6:30
Lv. Mainland 9:00, 12:00, 7:00

Christmas: Lv. Island 8:30, 6:30
Lv. Mainland 9:00, 7:00

SUMMER FERRY SCHEDULE (4/1 through 9/30)

MON		TUE		WED		THUR		FRI		SAT		SUN	
IS.	ML.	IS.	ML.	IS.	ML.	IS.	ML.	IS.	ML.	IS.	ML.	IS.	ML.
6:15	7:00	6:15	7:00	6:15	7:00	6:15	7:00	6:15	7:00				
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								7:30	8:00	7:30	8:00	7:30	8:00
								8:30	9:00				

Memorial Day, July 4th, Labor Day same as Sunday

2010 Low Tide Cancellations/Adjustments	
April	
Saturday, April 17	2:30 pm – 3:00 pm cancelled
Sunday, April 18	2:30 pm – 3:00 pm cancelled
Monday, April 19	2:30 pm – 4:00 pm cancelled
Wednesday, April 28	12:00 pm – 12:30 pm cancelled
Thursday, April 29	12:00 pm – 12:30 pm cancelled
Friday, April 30	12:00 pm- 12:30 pm no shuttles 2:30 pm – 3:00 pm cancelled
May	
Saturday, May 1	2:30 pm – 3:00 pm cancelled
Sunday, May 2	2:30 pm – 3:00 pm cancelled
Thursday, May 13	12:00 pm – 12:30 pm cancelled
Friday, May 14	12:00 pm – 12:30 pm cancelled
Saturday, May 15	11:30 am- 12:00 pm no shuttles 2:30 pm – 3:00 pm cancelled
Sunday, May 16	2:30 pm – 3:00 pm cancelled
Monday, May 17	2:30 pm – 4:00 pm cancelled
Tuesday, May 18	3:30 pm – 4:00 pm cancelled
Wednesday, May 26	12:00 pm – 12:30 pm cancelled
Thursday, May 27	12:00 pm – 12:30 pm cancelled
Friday, May 28	12:00 pm – 12:30 pm cancelled
Saturday, May 29	12:00 pm – 2:30 pm cancelled
Sunday, May 30	1:30 pm – 3:00 pm cancelled
Monday, May 31	Memorial Day Holiday – Schedule same as Sunday 1:30 pm – 3:00 pm cancelled
June	
Friday, June 11	12:00 pm – 12:30 pm cancelled
Saturday, June 12	10:30 am – 12:00 pm cancelled
Sunday, June 13	11:30 am – 2:00 pm cancelled
Monday, June 14	12:00 pm – 3:00 pm cancelled
Tuesday, June 15	3:30 pm – 4:00 pm cancelled
Wednesday, June 16	3:30 pm – 4:00 pm cancelled
Wednesday, June 23	9:30 am – 10:30 am cancelled
Thursday, June 24	12:00 pm – 12:30 pm cancelled
Friday, June 25	12:00 pm – 12:30 pm cancelled
Saturday, June 26	11:30 am – 12:00 pm cancelled
Sunday, June 27	11:30 am – 2:00 pm cancelled

(Continued on Page 15)

Low Tide Cancellations
(Continued from Page 14)

July	
Saturday, July 10	9:30 am – 10:00 am no shuttles 10:00 am leaves early 10:30 am – 12:00 pm cancelled
Sunday, July 11	10:30 am – 12:00 pm cancelled 1:30 pm may leave late
Monday, July 12	12:00 pm – 12:30 pm cancelled
Tuesday, July 13	12:00 pm – 12:30 pm cancelled
Saturday, July 24	10:30 am – 12:00 pm cancelled
Sunday, July 25	11:30 am – 12:00 pm cancelled
August	
Saturday, August 7	9:30 am – 11:00 am cancelled
Sunday, August 8	9:30 am – 12:00 pm cancelled
Monday, August 9	12:00 pm – 12:30 pm cancelled
Tuesday, August 10	12:00 pm – 12:30 pm cancelled

Reminder: It is that time again. Our Summer Ferry Schedule begins April 1.

Keep Herron Island Beautiful!

A recent article in The News Tribune (March 16, 2010) outlined Pierce County’s program to encourage removal of junk or derelict vehicles. The County’s law addresses “nuisance vehicles” – damaged and inoperable cars, trucks, trailers and more, that can become eyesores, depress property values, attract vermin and damage the environment. The law allows the County to remove nuisance vehicles and charge the owner for the cost.

Unfortunately, there are about 20 examples of derelict vehicles on Herron Island. Some owners (Thank You!) have recently taken steps to have these removed. The Island Manager plans to work with owners in identifying some of these vehicles and seeking their removal from the island. Contacting Pierce County for assistance at www.piercecountywa.org should be a last step, taken only if owners don’t voluntarily comply. Please do your part to keep Herron Island beautiful!



Herron Island Properties

New Listings & Reduced Prices.

1. **Completely Remodeled Cabin \$175,000, comes with water and sunset view.**
2. **Waterfront lot New Price, has water, septic, power and 5th wheel trailer, Olympic Mountain view, Now \$249,500—Excellent Building Lot.**
3. **Waterfront Cabin with Extra Lot, 120' waterfront, East Herron Blvd, now asking \$355,000.**
4. **New Listing on the water West Herron Blvd., asking \$384,000, 2 bedroom, turnkey condition, move in and enjoy this 1 1/2 story chalet, large deck for sunsets and Olympic Mountain views, 70' waterfront.**
5. **One of a kind Chalet on one way road, comes with extra lot, views to the SE & NE, watch the sunrise in the morning. Extra large deck, turnkey ready for you and your family to enjoy anytime of the year. All this for \$239,900.**
6. **A-Frame cabin, asking only \$124, 000, also has an extra lot for sale very reasonable, owner will carry contract on the lot. Excellent view from either site.**
7. **Interior Lots Priced to Sell from \$26,000—\$49,000**

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HMC Financial Audit Explanations

We are putting the major sections of the financial audit in this Beachcomber but to save printing and mailing costs we are leaving off some sections. The full report is available at www.herronisland.org and copies can be picked up at the HMC office if needed. The audit is required of all non-profit corporations and the audit follows standard accrual accounting practices. As such, you will notice on page 4 of the report (Statement of Revenues and Expenses) that the 2009 fiscal year had revenues of \$794,326 and expenses of \$826,692 for a net loss of \$32,366. It should be noted that actual cash inflow does not include Delinquent Accounts so real cash coming into HMC is \$779,807.

Likewise the expense listed as \$826,692 contains depreciation. On report page 5 (Statement of Functional Expenses – Schedule 1) the actual expense before depreciation is \$740,270 which represents what HMC paid out for the year. Thus, actual cash revenues of \$779,807 minus the actual cash expenses of \$740,270 results in the revenues exceeding expenses by \$39,537 and not an actual cash loss. From HMC accounting, our Key Bank accounts at the end of 2008 had \$103,386 and at the end of 2009 \$80,753 for a net decrease of \$22,633. For the same dates, our reserve accounts at Vanguard went from \$302,525 at the end of 2008 to \$361,678 at the end of 2009 fiscal year. This is an increase of \$59,153.

Since we made reserve deposits of \$107,750 during the year and one withdrawal of \$53,022 (for ferry shipyard expense), the \$54,728 increase is due to deposits and interest, which accounts for the \$59,153 increase. Overall then, we had a \$59,153 increase in reserve accounts and a \$22,633 decrease in general accounts for a net increase of \$36,520. Given the fact that our accounting system decreases assets when checks are authorized and the bank statements decrease assets when checks are cashed, the net increase in cash for fiscal year 2009 is consistent with the \$39,537 predicted by the audit, taking out depreciation and delinquent accounts. The audit uses accruals so there are some small differences between cash accounting and the audit numbers.

Finally, the audit counts expense in the year it is paid. Our budget, however, uses reserves to pay a portion of a multi-year expense (like the ferry shipyard every two years) each year. The audit will not show the contributions to or withdrawals from the reserves accounts except in the listing of assets. Thus, in years where an expense occurs, it will show expense exceeding revenue (since reserve withdrawals are used to pay a portion) and in years where reserve contributions are made, it will show a revenue exceeding expense.

We do this to keep assessments even rather than having them up one year and down the next. One other item of note is that in fiscal year 2009, we budgeted for a \$40,000 carryover from the previous year. This meant that we expected the expense plus reserve contributions to exceed the revenue by \$40,000. We actually had less as the \$740,270 expense plus net reserve contributions of \$59,153 yields \$799,423 that is roughly \$20,000 more than the actual revenue (about half the expected \$40,000). This also is in line with the actual bank general account decrease. Overall we came very close to our expected budget although some expenses like shipyard were higher but offset by some higher than expected revenues.

Fred Fath - Treasurer

INDEPENDENT AUDITOR'S REPORT
FOR
HMC MANAGEMENT - 2009

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PREPARED BY:

MICHAEL KANDER CPA

MICHAEL KANDER CPA

7406 27TH Street West Suite 14, University Place, WA 98466

INDEPENDENT AUDITOR'S REPORT

Board of Directors
HMC Management
P.O. Box 119
Lakebay, WA 98349

Dear President and Members of the Board:

We have audited the accompanying Balance Sheet of HMC Management (a Washington State Homeowners Association) as of September 30, 2009 and 2008, and the related Statements of Revenues and Expenses (including the Functional Expense Schedule) and Cash Flows, and Changes in Members' Equity for the year then ended. These financial statements are the responsibility of HMC management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HMC Management as of September 30, 2009 and 2008, and the results of operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

HMC Management has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented this information that accounting principles generally accepted in the United States of America has determined is required to supplement, although not required to be a part of, the basic financial statements. (See Note C)

Michael J. Kander, CPA
University Place, WA
February 12, 2010

HMC MANAGEMENT
Balance Sheet
As of September 30, 2009 and 2008

ASSETS	2009	2008
Current Assets		
Cash and Cash Equivalents (See Note A)		
Cash	\$97,900	103,585
Certificate of Deposit	1,006	1,180
Total Cash and Cash Equivalents	98,906	104,765
Accounts Receivable from Active Members	625	7,871
Total Current Assets	99,531	112,636
Long Term and Other Assets		
Investment in Vanguard Funds (see Note B)	361,739	303,637
Land Aquired (See Note D)	30,000	0
Delinquent Members Receivables, net (see Note D)	20,735	35,194
Note Receivable (See Note E)	11,683	17,590
Total Long Term Assets	424,157	356,421
Plant, Property and Equipment		
Land - Common Use (See Note A)	27,300	27,300
Fixed Assets		
Ferry/Docks	2,108,732	2,108,732
Water System	108,217	108,217
Small Boat Dock (Parks)	65,003	65,003
Roads	31,895	31,895
Office/Equipment	35,313	33,635
less Accumulated Depreciation	(1,338,509)	(1,252,087)
Total Net Fixed Assets, net	1,010,651	1,095,395
Total Plant, Property, and Equipment	1,037,951	1,122,695
TOTAL ASSETS	1,561,639	1,591,752
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES		
Short Term Liabilities		
Accounts Payable - Trade	10,227	12,546
Prepaid Assessments	15,869	6,000
Security Deposits	8,207	8,257
Total Short Term Liabilities	34,303	26,803
Long Term Liability		
Deferred Gain (See Note E)	11,699	15,002
Total Long Term Liability	11,699	15,002
TOTAL LIABILITIES	46,002	\$41,805

HMC MANAGEMENT
Balance Sheet
As of September 30, 2009 and 2008

Continued	2009	2008
MEMBERS' EQUITY		
Unrestricted Balance	\$1,141,898	1,206,309
Board Designated (See Note B)		
Major Maintenance (Re-engine-10)	12,000	
Major Maintenance (Dry Dock-09)		40,000
Members' Savings Reserves	361,739	303,637
Total Board Designated	373,739	343,637
TOTAL MEMBERS' EQUITY	1,515,637	1,549,946
TOTAL LIABILITIES AND MEMBERS' EQUITY	1,561,639	\$1,591,752

HMC MANAGEMENT
Statement of Revenues and Expenses
For the Years Ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
REVENUES AND OTHER SUPPORT		
General Assessments (See Note A)	\$597,000	470,400
Ferry Fees	165,314	139,029
Delinquent Accounts (Current Year)	14,519	36,051
Miscellaneous	5,815	5,243
HMC Interest & Handling Charges	11,678	8,563
TOTAL REVENUES AND OTHER SUPPORT	<u>794,326</u>	<u>659,286</u>
EXPENSES BY DEPARTMENT (See Schedule 1)		
Ferry	516,584	453,564
Ferry Docks	45,589	42,302
Administration	174,224	163,614
Water	41,797	27,768
Parks	12,660	16,367
Roads	35,838	29,305
TOTAL EXPENSES	<u>826,692</u>	<u>732,920</u>
REVENUES EXCEEDING EXPENSES (LOSS)	<u>(32,366)</u>	<u>(73,634)</u>
OTHER INCOME		
Interest Earned	5,499	15,220
Gain on Installment Sale (See Note E)	3,303	554
TOTAL OTHER INCOME	<u>8,802</u>	<u>15,774</u>
UNUSUAL LOSS		
Exchange of land for delinquent accounts	<u>(10,746)</u>	<u>0</u>
REVENUES EXCEEDING EXPENSES (LOSS)	<u>(34,310)</u>	<u>(\$57,859)</u>

HMC MANAGEMENT
Statement of Functional Expenses - Schedule 1
October 2008 - September 2009 with Comparative Totals for Prior Period (2008)

2009 EXPENSE	--Department--						2009 Total	2008 Total
	Ferry	Ferry Docks	Administration	Water	Parks	Roads		
Payroll (Wages, taxes, and benefits)	\$274,544		88,658	8,209	1,915	0	373,326	354,373
Major Repairs and Maintenance	96,487				1,224	24,593	122,304	42,871
Repairs and Maintenance	4,205	1,516	173	11,323	2,624	4,781	24,623	25,468
Insurance	42,032		25,467				67,499	63,534
Ferry Fuel	48,082						48,082	68,849
Professional Services			34,421	1,829			36,250	35,328
Miscellaneous Service & Supplies	9,396	2,113	10,218	9,594	2,874	4,868	39,063	28,045
Taxes and DNR Lease	3,578	343	5,551	2,981			12,453	7,732
Postage, Printing, Copying			6,267				6,267	7,777
Utilities	488	1,982	2,890	3,533	1,510	0	10,404	7,268
Bad Debt Expense			0				0	6,000
Total Expenses by Department before Depreciation	478,811	5,955	173,645	37,468	10,148	34,243	740,270	647,245
Depreciation	37,773	39,634	579	4,329	2,512	1595	86,422	85,675
Total Expenses by Department after Depreciation	516,584	45,589	174,224	41,797	12,660	35,838	826,692	\$732,920

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WELCOME ALL NEWCOMERS!



HERRON ISLAND

The Beachcomber

HMC MANAGEMENT

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