

ANNUAL MEMBERSHIP MEETING
HMC Management
June 13, 2009

Call to Order: Kathy Deuster called the meeting to order at 12:00 PM.

Roll Call: Kathryn Deuster, Vice President, Janet Podell, Secretary; Judy Grienke, Asst. Treasurer, Eric Bergson, Member at Large, Doug Allen, Island Manager, Jim Strichartz, Island Attorney. Excused absence: Fred Fath, President/Treasurer

Pre-Meeting Statement:

- Kathy Deuster addressed the members of the audience with a pre-meeting statement. It was brought to the Board's attention that last month's Board meeting was recorded by someone in the audience. The members were reminded that the recording of any conversations without prior consent is illegal in the State of Washington according to RCW 9.73.130. It becomes legal if the recording parties state their intent to record the proceedings and this statement is made and recorded as part of the proceedings. Violation of this law is considered a gross misdemeanor and punishable by up to a year in prison and a \$5000 fine in accordance with RCW 9.92.020. Kathy Deuster asked if there were any persons in the audience with recording devices intending to record today's events, it was requested that they make themselves known so the intent to record can be made a part of these proceedings. No one came forward.

- Regina Everett took exception to the presence of the Island attorney and the cost for his participation at our meeting today. She wanted the membership to conduct an immediate vote on his continued participation at the meeting. It was pointed out to Ms. Everett that Mr. Strichartz's presence was completely within the limits of the Board's authority and not subject to a membership vote.

Previous Board Meeting Minutes: Minutes of the June 14, 2008 annual membership meeting were approved. **Kathy Deuster made a motion to accept the minutes.**

Motion carried.

Island Manager Annual Report : See Island Manager's written report

Ballots:

- Ballots before the membership: Three open Board positions.

Ballot Counting Committee:

Scott Rich
Rondi Amidon
Sandra Davis
Ed Hovde
Nancy Grant
Steve Rich
Dana Gruber
Carolyn Anspach
Jean Miller
Gail Barone

Island Manager Review: See written Island Manager's Annual Report

Water Discussion:

- Jennifer Kropack and John Ryding from the State Dept. of Health (Office of Drinking Water) were guests at the meeting. Judy Greinke first gave a brief overview of the water system upgrade process to date. Jennifer Kropack then reported that the Herron Island Water System Plan (WSP) is on track for approval. There are two additional agencies that must approve the plan. The Dept. of Ecology and Pierce County (for land use authority) also have authority over the plan. We have asked the state to allow us to be recognized for the full buildable plan for the island. Jennifer stated this is an excellent plan. John Riding then spoke (DOH Engineer) and explained that part of his responsibility is to look at the size of the reservoir and the size of the pipes that need to be in our plan. He reported that there is increased government oversight of any water system plan. John went on to state that our plan was very well done. There have been new laws enacted concerning water rights, and the state is appealing some of those new laws. He reported that we are on track and headed in the right direction. The water system plan is the hardest part and because we have it done we are well on our way towards implementation approval.
- There was a question from a member about approval of the plan being directly tied to assurances that financial resources have been established. This was a very good question and the answer is yes. HMC will be obligated to demonstrate that it is financially viable. We have the flexibility to offer up different financing options and can make alternate decisions concerning fire flow.
- The next submittal to the affected government agencies will incorporate all of the draft recommendations that we have received from them to date. Both Jennifer and John reported that our recent reservoir upgrade was a big capital project that needed to be completed. They strongly endorsed our decision to have that completed first and we are lucky to have it behind us.
- General discussion ensued. In regard to our financing options, Jim Strichartz reported that our by-laws require the costs to be spread across assessable units and any change to that would require a change to the by-laws. The By-laws also permit the Board to get a bank loan secured by future assessments.

Finance:

- Judy Greinke reported out on the proposed budget. She indicated that there are now 396 assessable units resulting from foreclosures and reclassification of some properties. Judy gave some specific details of each budget element and the Reserves and pointed out that more details were provided in the May Beachcomber. **Janet Podell made a motion to present the proposed budget to the members. Motion carried**

Old Business:

- Nancy Grant reported that she used to be responsible for all of the clothing purchasing for the Boosters. She has volunteered her time to make the remaining inventory available for purchase (with help from other volunteers) during the July 4th holiday weekend. Two members in the audience volunteered to help.

New Business:

- Eric Bergson reported that the Board has approved the formation of a Technology committee for many upcoming computing items such as electronic payment of ferry fees and the availability of Wi-Fi internet for the members. He is soliciting volunteers to serve on the committee.

Ballot Count:

192 valid ballots

3 unsigned ballots

0 Delinquent ballots

Election Results:

In order to ensure the integrity of the ballot counting process Carolyn Snyder (HMC Office Manager) requested the assistance of two random members to validate the total ballot count and the final vote tally. Carole Crowley and Mike Shettlesworth volunteered to provide that assistance. The final validated vote tally was as follows:

Sam Argo	79
Steve Chapin	88
Regina Everett	80
Terrill Chilson	83
Fred Fath	112
Patrick Pitt	96
Janet Podell	92
Write in: Dick Mowry - 1	
Allen Moren - 1	

Following adjournment of the meeting the new Board met to select the Board officers.

The 2009-2010 Board: Fred Fath, President, Kathy Deuster, Vice President, Janet Podell, Secretary, Judy Greinke, Treasurer, Pat Pitt, Member at Large,

Adjournment: Janet Podell made a motion to continue this meeting until next month. Motion carried.

Respectfully submitted,

Janet Podell
Secretary