

HMC Management Board Meeting Minutes
April 14, 2012

Call to Order: Mark Anderson called the meeting to order at 10:00 AM.

Roll Call: Mark Anderson, President; Gary Wanzong, Vice-President; Dianne DeGood, Secretary, Pat Zazzo, Member at Large and Claudia Ellsworth, Island Manager. Judy Greinke, Treasurer was on an excused absence.

Mark announced that Board members would be recording the meeting for the purpose of completing the minutes.

Previous HMC Board Meeting Minutes: Mark Anderson moved to approve the March 10, 2012 HMC Management Board meeting minutes. Motion carried.

Correspondence: There was nine items of correspondence:

- Peninsula Light Co: Terms and Conditions for getting the three phase power to the well house
- USDA: Letter regarding Outlay Report #1
- Pierce County: Letter regarding Site Development Permit
- Pierce County: Letter regarding Exemption from Shoreline Management Act
- HD Fowler Co.: Notice to Owner Regarding Massana Construction Inc. purchasing supplies
- Washington Water Service Co: 2012 Consumer Confidence Report
- Board Candidate Application from Mark Anderson
- Sargent Engineering: Mainland Ferry Terminal Structure Inspection Report
- Letter from Member: Request to Waive Rental Agreement Fee

Finance:

- **Gary presented the bills to be paid and moved to approve paying the HMC Management bills as presented. Motion carried.** On the HMC Water Utility bills there was nothing out of the ordinary, but instead of making a reserve transfer this month he recommended that we keep the money in the HMC Water Utility Account. USDA payments come in 45 days, and bills are due sooner without paying a late payment. **With no further discussion, Gary made a motion to pay the HMC Water Utility bills minus the cash reserve transfer. Motion carried.**
- HMC Management was reimbursed approximately \$103,000 for the money they spent to get the water project going. Normally it would go back to the HMC account, but Gary recommended that we put \$42,000 temporarily into the HMC Water Utility checking account to build up a cash reserve until the project is completed. The rest would go into the HMC Management checking account until we do the reserve transfers. This was the first reimbursement and the money was used for startup costs such as engineering fees, permitting, etc. In the future months, the HMC Management portion will not be as large. After the water project is finished we will move the funds back to where they came from. Basically right now we are building up the water account to help pay the bills as they come in.
- **Gary moved that we take \$42,000 of the HMC Management reimbursement and move it into the HMC Water Utility. Motion carried.**
- The Finance Committee met and went over the budget before they submit it to the Board of Directors. We have to fund 10% of our operating budget into reserve accounts. We are already doing it, and are real close, but needed a small bump to get it to 10%.
- Normally the budget is one page, but now it is five pages long. One page is for the Water Utility Budget and the rest is for HMC Management. The goal was to match what Carolyn and the accountant use, making it quite a bit longer,
- Our Medical Insurance has gone up, and we were hoping to wait until 2016 to replace the Ferry Engines and Transmission. But after the earthquake and tsunami in Japan the parts are not available or very expensive. The plant that made the parts has completely shut down. So repairing them may not be an option and definitely not a sure thing.
- The Finance Committee recommended we replace them next fall when the Ferry goes in for Dry Dock. To replace them would take a Special Assessment in 2013 of \$330 per Member. This information needs to get out to the Members as clearly as possible, since it is very difficult to exist without the Ferry.
- Part of the problem is that the old engines are two cycles. New engines run on four cycles. The fuel economy is better, because of better gas mileage. The new engines also emit fewer particles into the air. Another cost savings is

that they only go in for rebuilt every six years instead of three years, giving us a payback in about five and half years. And with price of fuel going up, the payback will be shorter. The biggest problem is the transmissions. When they get replaced the engines have to be replaced. And it is our lifeline to the mainland. A Member commented on how it could also have a political benefit in helping with our relations with the people on the mainland, since the new engines would be quieter.

- We are still doing research for Federal funding and grants. Most grants available are not covering Ferry engines, but there is a possibility of working on one for cleaner air.

Administration: See the Island Manager's report for the full report of Administration issues.

Many volunteers have helped with the ongoing cleanup around the Island.

Ferry:

- We received our stability letter from the Coast Guard reducing our passenger load to 45 plus a crew of 2, based on the recalculation of the average passenger weight.
- Waste oil – We now have a new company picking up waste oil, filters and rags from the Ferry. The cost should be a few hundred dollars a year.
- Pierce County Wharf Easement Inspection. Sargent Engineering has issued its report. They have a couple of recommendations, mostly maintenance and removing the rust and painting. One of the cables on the mainland appears to be wearing and should be replaced soon. A Member asked whether the cabling shouldn't be replaced on both sides. This evaluation is required by Pierce County since we lease the mainland dock area from the county.

Legal Liaison: We have eleven delinquencies and seven are with the attorney. This is a delinquency rate of 2.8%.

Committees:

Water Advisory/Water Project Committee:

- There has been a lot of work done this week. The hydrant at the well site will be replaced very soon. We are working on a map identifying the loops of the project. The first loop is around East and West Madrona, beginning from the well site. The second loop will start next week and at this point there will be two crews working. There has been no excess dirt yet. We received our first payment request to reimburse HMC Management for the contractor to complete the fencing around the well site. This includes materials and labor.
- Peninsula Light has provided a design and proposed contract agreement for the upgrade of three phase power at the pump house. The cost is going to be \$38,622.40. We have \$50,000 budgeted for this. A \$2,000 deposit for the design has been paid and will be credited toward the final amount.
- **Mark moved that we enter into an agreement with PenLight to complete the upgrade to three phase power at the pump house. Motion carried.**
- A Member who lives adjacent to the fence around the well site commented that it looks very industrial and recommended that we soften it up a little with plants and shrubs.
- Captain John Farris recommended that they get a big laminated map in the corner sign at Ferry St. and East Herron Blvd. letting people know where the water crew is working and what roads might be closed. Many are asking when they are riding on the Ferry. Should the Water Advisory Committee be responsible for keeping this Map updated?
- Pat Zazzo commented that a Member was telling her about another Island that puts up a red flag on their signs to let people know that something is new or has changed. This makes them stop and read the information.
- There will be a Water Advisory Committee meeting Friday, April 20th. There are a lot of things going on and anyone who is interested is invited to attend.

Finance Committee: Gary gave the report earlier.

Emergency Preparedness:

- Kristin Tinsley, who is our advocate from Pierce County PCNET, will be at the meeting today at 12:30. She has excellent ideas for us and is helping us work with our own infrastructure.
- **Fire Dept Liaison:** May 19th has been tentatively set up for the island burn. The Fire District will permit it as long as we obey the rules and the pile is no larger than 10 x 10 feet. A few Members highly object to using the North Beach,

since it leaves the black soot out there all summer. They would like to recommend people take care of their own debris.

Rules: There will be a Rules Committee meeting at 2:00 p.m. today.

Land Use: The Land use Committee is working on a report and drafting a policy and procedures for selling HMC Management owned lots.

Parks:

- The committee is working together to complete the planning of Parks Appreciation Day and Small Boat Dock Installation on April 28th. They would like to have a controlled fire on the beach to burn the debris from the parks and are asking the Board for an exception to Rule F1 which states that open fires are prohibited in the parks.
- **Mark moved that we approve a controlled fire on the beach on Parks Appreciation Day. Motion carried.**
- The Parks Committee also asked for permission from the Board to install a staggered split rail fence at the south end boundaries of both the Nature Park and the North Beach. These fences would mark the boundaries, but leave access open. There was discussion about the neighbors adjoining these parks putting their own fences up, or sharing the costs. No formal decision was made.

Roads Committee:

Jack Wells is chairing this committee. They have met and are working with Merry Kogut on drafting the Charter and Mission Statement.

B.O.O.S.T.E.R.S :

- They are having a regular meeting in April and May, and the Annual Meeting in June. There are three positions available on the committee. The Charter and Mission Statement have been completed.
- Plans are underway for Memorial Day and chairmen are needed for the activities planned. They are also talking about including a Progressive Tailgate Party that weekend.
- The July 4th Parade will be Saturday, July 7th and the Sanders family has agreed to provide the Musical entertainment that evening.

Beachcomber: All articles or ads must be submitted electronically by Wednesday, April 18th at 5:00 p.m.

Rumor Control/Membership Questions:

- There were additional questions about continuing the Annual Burn. Is there a way to address the residue that remains down on the North Beach? Why can't we just haul off the debris? We have Members on the Island who have the equipment to haul it off. If those who deposit their debris down at the North Beach would each contribute \$10 to \$20, they could pay for getting rid of their waste. This has seemed to work before, so why can't we do that again?
- Another Member commented on the trash that is being dumped down at the North Beach. Members are using it instead of paying for their own service. It was explained that we don't pay for service down there during the winter and that is why it might be overflowing, but that isn't an excuse to use this facility for personal trash.

Unfinished Business:

- Captain John Farris has a concern that from Monday noon to Friday noon, he has no backup for Ferry Captain. When the weekend captain and the relief captains leave the island he has no backup if he should get sick or cannot perform his duties. He suggested we get more depth on the bench.
- The Mainland Security Committee reported that they are working on it and hope to have bid recommendations by the next meeting.

New Business:

Since there was no further business, Mark Anderson moved that we adjourn the meeting. Motion carried.

Respectfully submitted,

Dianne DeGood, Recording Secretary