

**HMC Management Board Meeting Minutes**  
**July 14, 2012**

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

**Roll Call:** Mark Anderson, President; Janet Podell, Vice-President; Dianne DeGood, Secretary; Pat Zazzo, Treasurer; Sherri Anderson, Member at Large. Claudia Ellsworth, Island Manager, [IM].

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 June 9, 2012 meeting minutes. Motion carried.

**Correspondence:** The office received 11 items of correspondence:

- Email from a Member regarding the purchase of HMC property
- Letter from a Member regarding contiguous lots and assessments
- Email from a Member regarding dock decking material available
- Email from Member with concerns about the Budget Ballot
- Request from Member for additional cost of vehicle repair after incident on Ferry
- Note from a Member regarding the handling fee from a delinquent water bill
- Email from Member about the Water Project and keeping the proper drainage along their road
- Email from Member about digging on private property beaches
- Email from Member about researching the latest technology when replacing the Ferry engines
- USDA Outlay Report #4 for Water improvements, approving payment of \$170,798.18
- Letter from Member resigning from the Land Use Committee

The Board received four additional emails from:

- A Member about additional dirt from the Water Project
- A Member asking the Board to make a decision on the Security Fence on the Mainland side
- A Member about the thistle infestation on South Herron Blvd.
- A Member asking for identification of HMC Property on the South Beach and whether he could dig clams there.

**Finance:** Pat Zazzo reported the bills to be paid are available in the back. There has been a substantial change to the way the bills are allocated. We are now paying the water bills out of the HMC Management General account. HMC Management owns the loan on the Water Project, so the bills which are water related, will be reimbursed from USDA to HMC Management when our Water Project is completed. Our income currently sits at 93.58% of our budget which is down from last year when we were at 95%. Our Ferry Fees are 75.06 % of our budget and we are 6% ahead of where we were last year at this time. We are in a good position for getting some of the money back through the reimbursements for the Herron Island Water Project. As far as the Water Project bills, we are still under the projected amount.

**Pat Zazzo presented the bills to be paid for the HMC Management Account and the Water Utility Account and moved to pay all the bills as presented. With no further discussion the motion carried.**

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

The IM thanked all of the volunteers, including the ballot stuffers, those who weed-wacked the mainland side, those who helped pressure wash the ferry docks and those who put up the First Aid kit at North Beach. Others helped replace broken boards on the docks and volunteers have put the cabinets back and helped with dry walling and finishing the new ADA bathroom. All of these volunteers save HMC Members countless dollars.

### **Water System Maintenance and Operation:**

We had a bill from Washington Water for \$3,400, of which \$2,700 was for repairs and water testing, not related to the construction project. With the new system we anticipate reducing costs with the reduction in maintenance and repairs. We should also lower the power consumption since the new pumps will run more efficiently.

There will be an article in the next Beachcomber about the rates and costs of the new Water System.

### **Water System Project:**

- The crew has completed all the six inch mains and will be putting in the two inch lines. These will go in at dead ends. The next step is putting in service laterals and meters. The new well pumps are scheduled to be installed within a week or two. Workers are putting up a new storage shed near the water facility. Members were encouraged to get signed up for the email notification so that they will be notified of any changes or power outages coming up. About 20 new Members signed up during the July 4<sup>th</sup> activities.
- The first major problem has come up which was a result of old work. A culvert was blocked down at the south end along East Herron Blvd. The water construction crew put in the six inch main, but the ground will continue to sink with the new water line and the softened underbedding will eventually fail. The USDA has approved fixing this area with a long term solution to keep from considerable damage to the homes below. This emphasizes the importance of Members obtaining Encroachment Permits before cutting into HMC Management roads. It enables the work to be inspected and approved, so the General Membership doesn't have to pick up the costs in the future.
- Fire hydrants are going in and the system will be tested in the next few weeks. The Island Manager had one last reminder about the possibility of power outages and the interruption to the water system. She recommended that everyone have plenty of extra water available. A two day drinking supply is recommended as a minimum.
- A member asked about whether they were replacing the distribution pumps or the down-hole water pumps. This would be checked out and an answer would come back soon. The estimated life of these old pumps was three to five years, so it made sense to replace them now.

**ADA Restrooms:** The restroom has been enlarged and Andy Anderson has been completing the finishing work as a volunteer. As soon as the signs go up, that project will be finished.

**ADA Parking:** The drawings we had submitted have not been accepted, so the Board agreed to hire an architect to do a quick plan that will allow us to submit it for bids. As soon as we get the drawings, it will be submitted for bids.

**A-133 Audit:** Since we are spending more than \$500,000 of Federal Funds in a single year, we are subject to an A-133 audit, which is another part of the USDA program. Mike Kander, our auditor, will look at how we are keeping our records, but the actual audit will come later. We have asked the auditor to come halfway between Board Meetings.

**Fire Department:** Fire District #16 participated in the July 4<sup>th</sup> parade.

**Land Use:** Mark Anderson acknowledged that Kathy Deuster has served on the Land Use Committee for many years, and everything she has done has been professional and took into account a lot of different opinions. For all of that Mark thanked her for her service. He also added that we have Land Use issues on the Ballot and we will be talking about it at the Special Membership Meeting, to be held at 12 noon today.

**Emergency Preparedness:** Pat Zazzo announced that the committee will start up next month with regular monthly meetings. Everyone is welcome to bring their enthusiasm at 12:30 pm on the second Saturday after the regular Board Meeting. At the next meeting we should have the Natural Hazard Mitigation Plan presentation, which is required by FEMA.

**Parks:** The North Beach work is complete and the broken planks have been replaced by Mike Shettlesworth and a volunteer Member. Jack Wells reported that the big hole has been filled in and the horseshoe pit is usable. Since everything is completed we are releasing the Encroachment deposit to the Members who used that area during construction.

**Rules:**

We got an email about a kayaker in the swim area. It is dangerous to the swimmers, but in checking the Rules there isn't a Rule pertaining to this, although there is a Rule about swimmers not being in the boat area. The best advice is to use common sense.

It is time to take the draft of the Rules (Revision 10) to the Attorney and make sure they are in compliance with current law and if there are things that we can't enforce.

**Mark Anderson moved that we send the redraft (Revision 10) of the Rules to the Attorney. Motion carried.**

**Ferry:** The two timbers were replaced on the Mainland side. The insurance company was satisfied with this completion. Anytime we do something that affects our infrastructure we have to notify the insurance company to help reduce or maintain our insurance costs.

**The Drug and Alcohol Policy:** The original one we used was generic in nature. We now have a revised draft that clarifies that the policy applies to Crew Members in the course of their employment and not in their personal lives on the Island. **Mark Anderson moved that we approve the new Drug and Alcohol policy as presented to the Board. Motion carried.**

**Legal:** We currently have 13 delinquencies and seven are with the Attorney, giving us a 3.3% delinquency rate. The Island Manager asked to conduct an Executive Session at the end of today's meeting to report on the status of those delinquencies that are at the Attorney.

### **Committee Reports:**

**Finance Committee:** No further discussion.

**Rules:** No complaints have been filed and Revision #10 is going to the Attorney for review.

### **Parks:**

- Jack Wells reported they had a problem fixing the swings and a crew of volunteers helped get them repaired. He wanted to thank those volunteers. He also explained that sometimes things look easy to fix, but we have to ask for help.
- Jack Wells is also giving up the Lawn Mowing position. He offered to write up a paragraph on the duties he has and submit it to the Island Manager. He went on to say that it usually takes about four hours every three weeks, which averages about 30 hours a month, depending on whether the equipment is in good working order. The mower still has a few more years on it, but it also has to be maintained regularly. Janet Podell thanked Jack for doing this job all these years. The Island Manager plans to put a Help Wanted ad in the Beachcomber and then interview the applicants for Jack's replacement.

### **Roads:**

- The committee had a meeting last week. The biggest issue is the water truck. Jack Wells recommended that this may be the time to write it off. Every time one thing gets fixed, something else comes up. There are too many issues with the truck and Jack doesn't want the responsibility if something should happen. Right now, it is inoperable and it is becoming a liability. Dallas Amidon asked if it could be moved from the ball field.
- A Member who is a mechanic asked if the brakes were the main problem with the truck. If the engine still runs, he suggested surveying the rest of the system, the suspension and the drive train before completely disposing it. He offered to take a look at it, but suggested a truck mechanic look at it also.
- Another Member said that the back plates are rusted off and the mechanic that Dick Mowry had used said the rear end was rusting and probably had salt water in it. He suggested we ask this mechanic take a good look at it before getting rid of it. The tank is still usable and could be put on another truck. Since the mechanic will charge for time to look at it, Mark Anderson proposed to approve \$250 to find out if it is still fixable. Mark will call Dick Mowry to see if he can contact the mechanic. A Member was concerned that the truck rate was \$115 per hour and the cost of looking at it might be closer to \$500.
- Dallas Amidon announced that he had an outrageous proposal and that was to consider chipsealing the roads. We have come of age to where we can get rid of the dust. He suggested the Roads Committee take a look at the costs after the construction is completed. Chip Sealing is ground up asphalt and tar. We do

have a roller that can be used to put this down. It is what we have down at the Ferry Dock on Ferry Street. If our roads had this, we wouldn't need a water truck.

- Some of the roads have a lot of problems, because of blocked drainage. The Resident Inspectors have found many culverts plugged up and would like to put in stakes where they are blocked. It is the Members' responsibility to clean these out. Improving the drainage could have a big effect on the condition of the roads.
- There were other concerns where trees were interrupting things. There is one on the single lane road (East Herron) and one on West Herron Blvd. These trees are creating a danger and we need to take appropriate action before something happens. The Island Manager will call an arborist and have him look at them and then get someone to take them down if his report identifies a hazard.
- The signs for Temporary Parking are down at the dock for those who come down to drop off people or pick up the newspaper.

#### **Technology:**

- We will be using Radio Read water meters and the software has been received.
- John Farris asked about the progress of automating the Ferry pass system. Fred Fath has been working on that, but we have had no current updates from him. Several residents of the Island were suggested in maybe helping the progress of this project.

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

- Janet Podell announced that at the last meeting they elected new Board Officers. Three Officers had resigned and Frank VanRavenswaay and Don Greinke were new. Also at the last B.O.O.S.T.E.R.S. meeting the Members voted to replace the garage doors on the community building. The money came from the previous Boosters' funds. They also voted to put a French door in the back to have immediate access to the patio behind the building.
- The July 4<sup>th</sup> attendance was slightly down, but all the events went as scheduled. Those who participated had a great time.
- The next B.O.O.S.T.E.R.S. meeting is August 11<sup>th</sup>. There will be a potluck at 6:00 p.m. and everyone is welcome. The B.O.O.S.T.E.R.S now have 160 Members.

**Beachcomber:** All items for the July Beachcomber must be sent electronically to the Editor no later than 5:00 p.m. July 18<sup>th</sup>.

#### **Rumor Control/Membership Questions:**

- John Farris announced that the Ferry will go into dry dock right after the Noon run on Sunday, September 23<sup>rd</sup>. It usually takes 10 days to two weeks to complete all of the inspections.
- Someone asked about the new Ferry engines, and whether we were going to get bids. They thought that the Puget Sound may have grant money available for cleaner air. Another Member said that there is a difference between marine based and land based engines. Pat Zazzo asked about looking into propane. Captain John explained that the technology for use of propane engines is still in development. They are putting it in trucks, but the horsepower and torque aren't powerful enough for the Ferry.
- A Member asked about doing some repair on the roads right now, especially where there is a lot work to be done. He indicated that there is a section of West Herron Blvd that is so bad, that it is even difficult for a four wheel drive vehicle. The Island Manager suggest that he email her where it is really bad and she will talk to the contractor to get them to groom it up again so that it is passable. She will ask them before they leave on a Thursday or Friday. There are a lot of areas where the roads are drying and sinking.
- Another Member asked about participating in committees. It was explained that all committee meetings are open to be audited by the Members. The only exception is the Rules Committee. She asked if there was a way to let Members know when these meetings are held. Not every committee meeting is posted on the calendar on the web site. Pat Zazzo, Chairman of the Finance Committee, explained that there is a certain formality with the Finance Committee, but any Member is welcome to come and listen, but just

can't vote. The Finance Committee will start meeting again in December to work on the new budget proposal for the following year.

- There was a question about how much money was spent on the new water system and how much the capital costs will be. The Island Manager explained that we won't know until all the bills are paid. We have an email into the USDA asking what period of time we have to step into the USDA loan. Within that period of time we will know how much Members will have to pay for the full amount and how much the monthly amount will be over the 40 year loan.

**Unfinished Business:**

Mark Anderson announced that those working on the security camera system for the mainland side have the approval to go forward with the bid that was under \$2,000.

**New Business:** There was no New Business.

**Executive Session:**

The Board went into an Executive Session to discuss the legal matters on current delinquencies.

**Following the Executive Session there was no further business, and Mark Anderson moved that we adjourn the meeting. Motion carried.**

Respectfully submitted,

Dianne DeGood, Recording Secretary