

**HMC Management Board Meeting Minutes**  
**June 9, 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; Judy Greinke, Treasurer; Pat Zazzo, Member at Large, and Claudia Ellsworth, Island Manager.

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 May 12, 2012 HMC Management Board meeting minutes. **Motion carried.**

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

- Email from a Member with concerns about controlling water run off when laying the 6" pipe on the single lane road.
- A Member sent in a Proposal for a Security Fence on the mainland parking lot.
- USDA Approval of the Change Order for upgrading the pipe.
- USDA Outlay Report #3 for Water improvements, approving payment of \$128,556.69.
- Member Email regarding vehicle vandalism in the mainland parking lot.
- Member email regarding the President's message.

The Board had eight additional emails from:

- Two members asking about Assessable Units and Contiguous Lots.
- Email from a Member asking for more explanation on the 10% reserves.
- Several emails from Members concerning the current budget proposal.
- Email from Member requesting that unlicensed youth be prohibited from operating 3-wheelers, go carts and golf carts during construction because of safety reasons.
- Email from Member who complimented the Ferry Crew during a 911 call over the Memorial Day weekend.
- Email from Member about teenagers chasing deer with a golf cart and trespassing in owner's yards.

**Finance:**

- Judy Greinke reported that the Ferry income continues to come in, because people are buying books. However the fees are leveling out and we need to have more income for Ferry Revenue during the rest of the summer. In previous years, our Ferry income was real short during this time. At the current time we are estimating that we are \$60,000 short on Revenue and will gain that in the next four months. The Trip Ticket Plan should remain the same.
- Most every department is within the budget. The Finance Committee decided to make a separate line item for the Small Boat Dock Pilings and take it out of parks. The funds for the Small Boat Dock Pilings did come out of the Reserves. Overall we are right on target. In addition to the bills to be paid we must add another bill for a reimbursement of \$82 from the Ferry funds. The electricity looks very high, but the billing dates don't coincide with the date of the Board meeting, so we are showing May's bill and estimating June's bill.
- **Judy Greinke presented the bills to be paid with the addition of the \$82.00 and moved to pay the HMC Management bills as presented. With no further discussion the motion carried.**
- Under the Water Department budget, we are two thirds of the way into the year. There are a lot of water project bills that have to be paid out of the account first and then we request the reimbursement from USDA. This month we have bills for some of the Engineer work and NW Water for \$3,847, which is a little higher than before. Other than that, everything seems to be in line with the budget. **Judy Greinke moved to pay the HMC Water bills as presented. With no further discussion, motion carried.**
- The HMC Board Members all received copies of the proposed budget for the "2012-2013" fiscal year. The budget was also posted on the web site for Members review. When the Finance Committee worked on the budget, they took into consideration what was actually spent in the last five years, and added line items within each department making the report six pages.

- Everyone needs to remember that the budget is only an estimate of what bills are anticipated. The recommendation is to raise the assessments for next year, but the roads, tansy removal and some other department's budgets have been lowered.
- Mark Anderson explained that the new budget proposal also includes the transfer for Reserves. There is an additional \$46,000 in the General Budget to go into Reserves instead of going out for Special Assessments. The Medical Insurance has gone up, but the insurance on the small boat docks at North Beach has gone down, because of the new pilings. Overall, he commended Gary Wanzong and Judy Greinke and the Finance Committee for going through this budget proposal with a keen eye and tried to curtail some of the costs in the budget. Some of the smaller portions will not have much of an impact, and some of the larger portions we do not have much control over. Mark thanked Judy and Gary, the Finance Committee and any Member who had input in this process.
- Judy reported that another thing that plays a part in the budget is that we have fewer assessable units to divide by. We are now dividing by 389 units taking into consideration that we will always have a few delinquencies. If money is left over at the end of the year it goes in to help the Reserves, or back into the General Fund and can be used the next year. This year the Water Account was set up with \$30,000 so that we could start paying the water project bills as they came in.
- The water bill will stay at the same rate. There will be a flat rate for the next fiscal year to allow Members a chance to see if they have leaks on their side. The actual rates can't be set until a rate study is completed, so it was appropriate to keep the current rate at \$20 a month. The Water expenses have stayed pretty much the same.
- A Member asked about road repair after the construction. It was noted that the contractor will leave the roads as good as before or better than when they started. Historically, every three years we get a barge of gravel, so we are building up cash reserves to pay for that. The roads are in the condition they are in right now because of the weather. Later the construction will and service laterals to the water line, so it won't help to fix the roads now. The crew and inspectors are finding a lot of culverts plugged and need to be cleaned out. It was noted that it is up to the owners to keep their culverts and ditches clean.
- **Mark moved that we approve the 2012-2013 Proposed Budget and send it out to the Membership for a vote. Three Board Members (Mark Anderson, Gary Wanzong and Judy Greinke) approved and two Members (Dianne DeGood and Pat Zazzo) opposed. Motion passed.** Pat explained that we are in hard economic times and Member's incomes have not gone up, in fact some have lost income during the past year and will have a hard time with an assessment increase. She explained that she has found small ways that could be cut and those small things do add up. Dianne explained that Members have sent emails to the Board asking that the assessments not increase, especially if there is an additional Special Assessment for the Ferry engines. She also stated that as a whole our country is in a Recession and everyone is tightening their budgets at home, and an assessment increase would be a hardship for some of our Members. In light of that she would recommend a reduction in the Assessments or put a freeze on the HMC Management Budget.
- The Board received two bids for repairing the Ferry Ramp System. They were both in the \$18,000 to \$20,000 range. One was received from "Quigg Brothers", who did the pilings at North Beach and the other bid came from "American Construction". Gary Wanzong explained that Pierce County requires us to have the ramps inspected every two years. During the last inspection they found one of the cables frayed and the timbers are not in the best shape and need repair. To keep our insurance rates down, it is very important that we keep everything safe. .
- Gary suggested we have Quigg Brothers do the repair at \$19,450.40, since American Construction did not include pressure washing in their bid. After much discussion John Farris asked if he and a few volunteers could do the pressure washing and save the \$2,000 on it. It was then decided to go back to Quigg Brothers and ask for a separate bid taking out the pressure washing. Several Members volunteered and asked John to let them know when he wanted to do the pressure washing. Jack Wells reported that the water truck is repaired and can be used for pressure washing on the Mainland side. Another Member offered a commercial safety harness if they would need to borrow one. The repair on the Ferry Dock should take about six hours, and the biggest part of it would be scheduled during a tide cancellation. The rest of the repair could be finished up the next day without any Ferry interruptions.  
A Member asked about the rust and Gary Wanzong explained that it was not an immediate need, so it will be done at a later time.
- Someone noted that they have seen an Osprey nest up on top where the Ferry cables are located and wondered if there is any way to discourage them and make them move. Gary Wanzong indicated that he has called the Fish and Wildlife Commission and they told him that the Osprey were not protected, but were watched. They also said that these birds check out several sites before they find a final destination for their nests. And probably with a lot of

activity around the Ferry cables, they would decide to move on. The repair has to be done very soon, since the insurance company asked that it be completed by June 1.

- **Mark Anderson moved to approve “Quigg Brothers” for the ramp repair, without pressure washing and the expense will be paid out of the “Docks and Dolphin” Reserves. Motion carried.**

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

**Island Cleanup:** 1015 Yew is out of compliance. Member’s who have concerned about trash or unsanitary conditions should contact PCResponds.

**Water System Maintenance and Operations:**

- The contractor has been working with Washington Water for maintenance of broken pipes. The old water lines are very brittle.
- The shut-off valves are buried in the soft part of the road and some have been driven over. The Resident Inspectors recommended that everyone stay off the soft ground and drive around the cones and buckets. It will cost extra if these valves are broken.
- A Member was concerned about the crews locking deer inside the fence when they leave at night. The Resident Inspectors explained that sometimes they don’t see them, or they are hard to chase out before they close the gate. If you see them, call one of the Resident Inspectors who live on the Island and they will let them out.
- Pen Light has completed the work on the Island and have the “three phase power” installed. They replaced some of the power poles while they were on the Island.
- There seemed to be a lot of confusion about where the Water Crew is working and which roads are closed each day. It was suggested to check the sign down at Ferry Road posting where the roads are closed. It was also reported that the crew cannot always tell where they are going to work. Sometimes they have to stop where they are and move to a different location because it has been so cold and the roads are not drying out. It was suggested that at the end of each day the Resident Inspectors put a short report on the website to update Members. The Island Manager stated that the Resident Inspectors shouldn’t be responsible for this and it is best is to call the Island Manager at 253-313-7933. If someone wants to know they can call the phone number which has been posted on line. She will do her best to answer your questions 24/7.
- Dana Gruber said that sometimes they only know where they are going to be 15 minutes before they get there. They are working 10 hour days and they are tiring days. The only thing they have left is the road down to North Beach, the rest of Madrona, the Single Lane Road, Ferry Road and a few cul-de-sacs. They are over half of the way to completion, but cannot always predict how far they are going to get each day. With the clay roads, it is realistic to say that not one road is going to be decent. The crew is very sensitive to this work and a lot depends on the weather conditions.
- Mark Anderson explained that they are trying the best possible ways to notify Members and the signs have been very helpful. The more Members interfere with the contractor, the more difficulty we may have in determining the final costs, and who is responsible.. The Resident Inspectors are hired to work for the engineer and have a thorough documentation of what is being done. The Engineer reports to the Island Manager. Everyone needs to have a little patience and consideration. If you have Guests, Delivery People or Contractors coming over, let them know there is construction going on before they get here.
- Another Member asked about the extra dirt. How are they going to deal with it? It was reported that they are attempting to take it to nearby properties and trying to take it the shortest distances. Mike Shettlesworth reported that there are various types of dirt and most of it isn’t top soil. Most is hard clay mixed with rocks, probably the kind that you could make a clay pot out of. He suggested that those who are on the dirt list put a recognizable marker in their yard as to where they would like this to be dumped.
- Since the roads are not the best a Member suggested to restrict underage kids from driving golf carts, 3-wheelers and other motorized vehicles. They get themselves in the soft dirt and then cause a problem. Another Member said that it is not always kids, but adults pulling donuts at some of the corners. It can be very dangerous. The Island Manager suggested finding out where the kids are staying and she would write letters to those Members reminding them about the behavior of their Guests. Someone suggested that with the dust everyone drive a little slower. Going 10 mph instead of 15 mph makes a big difference.

**Ferry:** It was reported that there has been a lot of vandalism in the Mainland Parking Lot.

**Legal Liaison:** Currently there are 18 delinquencies and eight are with the Island Attorney. Typically we have an upsurge at this time of the year. A few are only delinquent with their Water bills.

### **Committees:**

#### **Herron Island Water Project Committee:**

- The Water Project has formed a new committee, the Water Advisory Committee. They have completed a new Mission statement and Charter to be approved by the Board. The committee is open for anyone to join. One of the first projects they have worked on is the “Cross Connection Checklist”. So far 284 have been turned in. The Department of Health is requiring that every owner turns one in. There will be another copy included in the next Beachcomber for those who haven’t completed it. They only need 110 more.
- Another project they are working on is asking Members whether they want an “Active” or “Inactive” connection. This form will also be in the Beachcomber and included with the next Ballot that goes out to every Member. Each assessable unit has the option to apply for inactive status. If they do, there will be a lock installed on the water meter, so that you won’t be billed for water usage. You will still be required to pay for the Base Fee, Reserves and Capital Costs if you don’t pay that upfront. If you send the form in by August 1, there will not be a charge when you decide to go into active use. Overall, everyone will be active unless you notify the Water Committee.
- The Committee has also revised the Water Financial Policy and has submitted copies of it to the Board. **Judy Greinke moved that the Board accept the Water Financial Policy. With no further discussion the motion carried. It will be published in the next Beachcomber and on the website.**
- A Member asked who would take the lock off whenever a meter goes to active status. He had an incident at another property where the cost was \$50.00. Would Washington Water charge us that much. Judy explained that Washington Water probably would not be the one to take the lock off. It would probably be someone on the Island. Our goal is to keep as much of the work on the Island as possible and that is why we are doing our own meter reading and billing.

#### **Emergency Preparedness:**

The Committee has been including an “Emergency Tip of the Month” in the Beachcomber. One of the projects they are working on is getting the new First Aid Kit and making it available down at the Pavilion at North Beach. They were hoping to put a combination lock on the Kit and let all those on the Committee know the combination and chances are that someone on the Committee would be down at the Beach on a weekend. There are parts of other Emergency Kits that also need to be replenished.

#### **Rules:**

- The committee has a new revision. There have been a few issues, but no formal complaints have been turned in. One person had oil and transmission fluid drained from their car on the Mainland parking lot and two cars had windows broken. It is important that we tell Members and Guests that parking over there is at their own risk.
- A Member presented a proposal for approximately \$7,500 for a security fence, one that would be high enough and have razor wire on top, keeping anyone from climbing over it. The gate could be locked when the last Ferry goes back to the Island at night and unlocked every morning when the first Ferry comes across. He encouraged the Board to make this a high priority. Another Member stated that the signs on the Mainland side stating that the lot is under surveillance, can give people a false sense of security, since the camera is not working. It could be used against us, if something should happen.
- Tracy Anspach, Mainland Security Committee Chairman asked if the Board had approved any type of security camera for the lot as he had requested several months ago. It had been discussed, but nothing had been approved. He had gone out and gotten bids for a security camera. Another Member said that it is a necessary expense that we need to look at, since when the Ferry is at dry dock this fall, there will be many cars parked over there. **Mark Anderson moved that the Board approve up to \$2,000 for security with video monitoring of the Mainland Parking lot. Motion carried.** The security fence would also be taken into consideration at a later time.

#### **Land Use Committee:**

- The Committee has presented two Policies to the Board for approval. One is for the General Management of HMC owned properties and the second was for the sale of HMC owned properties. The one for the sale of HMC owned properties establishes a minimum bid for each property. The LUC has recommended a value, but are asking the Board to review it and make changes to it and then send it out to the Membership for approval. Judy Greinke asked that the second Policy, the one for the sale of HMC Management Properties be included with the upcoming Budget Ballot. If the Membership approves the minimum price, these lots could be sold without having to ask the

Membership each time there is an interest in a certain lot. Someone asked about these being contiguous lots and losing another assessable unit? Pat Zazzo stated that whenever the Board decides to discuss the contiguous lot issue, it will have to be brought to the entire Membership for a vote.

- Tracy Anspach reported that the Nature Park was established in 2006 and the Membership back in 2002 through 2006 had planned for this area to be a Park. Some of the Members had donated money to purchase the lots. Many Members do not know this and the more information that can be presented to the Membership about these lots, the better. It would be good to study the history of some of these lots.
- **Mark Anderson moved that we adopt the Policy for General Management of HMC owned properties as recommended by the Land Use Committee. Motion carried.**

**Parks:** The Committee is looking at options for repairing the basketball court, such as the size and bid. They are going to do it as cost effective as possible. They also thanked everyone for helping at the work party in April.

**Roads:** Jack Well reported that the roads are a mess and will be that way for a while. The water truck is running and the pump at the North Beach is working. They are working on getting signs up at the Ferry Dock for Short Term Parking.

**B.O.O.S.T.E.R.S:** The Annual Meeting is at 6:00 p.m. tonight with a Potluck. There will be items for everyone to vote on and discuss.

**Beachcomber:** All articles for the June Beachcomber must be sent electronically to the webmaster by 5:00 pm on Wednesday, June 13, 2012.

**Unfinished Business:** Dianne DeGood asked if there any plans for monitoring the Fireworks on July 4<sup>th</sup>. Last year volunteers were down at the North Beach keeping people out of the parking lot and on the Beach to ignite their fireworks. Pat Zazzo and Dianne also roped off a section for the smaller children to do sparklers and the smaller fireworks and keep them away from the more dangerous ones. Mark Anderson indicated that he would like that to be done again. Dianne said that she would find the volunteers and she and Pat would make sure the area for the smaller children was roped off.

**New Business:** Judy announced that the Roads Charter needs to be signed. Mark agreed to sign the Roads Charter and Mission Statement.

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

Respectfully submitted,

Dianne DeGood, Recording Secretary