

**HMC Management Board Meeting Minutes  
(March 13, 2010)**

**Call to Order:** Fred Fath called the meeting to order at 10:00 AM.

**Roll Call:** Fred Fath, President/Treasurer, Kathryn Deuster, Vice President, Janet Podell, Secretary; Judy Greinke, Asst. Treasurer, Mark Anderson, Member at Large, Claudia Ellsworth, Island Manager.

**Previous Board Meeting Minutes:** Fred Fath made a motion to accept the February '10 meeting minutes. Motion carried.

**Correspondence:**

- Six pieces of correspondence were received during the month. These were discussed as each subject arose during the course of the meeting.

**Finance:**

- HMC Treasurer Fred Fath reported that we have received the annual audit report from the Island Accountant. He reconciled it with our budget, but explained that some minor discrepancies show because of the differences in our accounting processes. At the end of the reconciliation the budget and Accountant's report are in alignment.
- Fred reported that we have had a request from a member for an accounting of the expenses that have been incurred as a result of the south end drainage and road encroachment issue. Fred gave a brief summary of the issue and provided the membership with an accounting of HMC's total expenditures to date. These are as follows:

Contractor	Payment for:	Amount
Bear's Tree Service	Tree cutting on HMC Right of Way	800.00
Aspen Surveying	Topographical Survey at intersection of S. Herron Blvd and E. Madrona	600.00
Baseline Engineering	Road Correction & New Drainage Plan	800.00
<b>Attorney Fees:</b>	Response to Legal challenges by members	5000.00
	Discussion of legal alternatives available to HMC (e.g. Adverse Possession)	1000.00
	Discussion of HMC storm water drainage liability	4000.00
	<b>Total</b>	<b>\$12,200.00</b>

- Fred also reported that, based on an estimate by the attorney, if HMC were to pursue Adverse Possession rights for both encroached properties, the cost for legal fees would run upwards of \$30,000 for each property (\$60K in total). Fred compared this to the cost of moving the road and correcting the storm water drainage issue, and concluded that pursuing the legal approach would not be in the best interest of the membership. We are currently looking at correcting the storm water run-off and drainage by possibly redirecting the runoff in the opposite direction. He reported that we now have a grace period that will allow us to move the road and correct the drainage in parallel with the upgrading of our water system. It was further reported that several members have contacted the County in an attempt to stop the process when, in fact HMC has not actually authorized any work to be performed. He stated that it is better for HMC membership as a whole for individual members to ask questions and work with us before contacting government agencies.
- There is one upcoming bill from Baseline Engineering. This has not yet been received but it is anticipated to be approximately \$500.
- Getting back to the budget, Fred reported that our revenues are currently exceeding our expenses. The revenue is currently at 50% of our budgeted goal and we are sitting financially very well. HMC Reserves have increased by \$59K which was borne out by the audit.
- **Fred made a motion to pay the bills. Motion carried.**
- There will be a Finance Committee meeting today to review the audit report and to begin the process for our upcoming budget planning. He called for the committees to submit their budget to the Island manager. (Preliminary budgets are acceptable).

See Island Manager's written report for additional details of the following areas.

#### **Administration:**

See the Island Manager's report for miscellaneous Administration issues not directly mentioned here.

- The Island Manager reported that our most recent insurance premium rates have been trending down. And while this is good news, she cautioned that they will more than likely increase again in the coming years.

#### **Legal:**

See the Island Manager's report for miscellaneous Legal issues not directly mentioned here.

- The Island Manager reported that there are currently 7 delinquencies. One has been resolved in the last month and five are currently with the attorney.
- A member (Matt Hansen) asked how HMC disposes of surplus property and inquired if there was a written policy covering this issue. Fred stated that a written policy is in place and that can be found on the web. He went on to say that past occurrences have not authorized the expense of a formal appraisal. Instead HMC has consulted with existing realtors for their best estimate of property values. Additionally, when we dispose of HMC properties we utilize the Land Use Committee for recommendations on when, and which surplus properties should be put up for sale.

#### **Land Use:**

See the Island Manager's report for miscellaneous Land Use issues not directly mentioned here.

- Kathy Deuster reported that a member has requested permission to use a section of HMC right of way by moving a log out of the way which would allow him easier access to get his trailer in and out of his property. It was found that his trailer was located on HMC property and he agreed to remove it. He was given permission to move the log.

#### **Transportation:**

See the Island Manager's report for miscellaneous Transportation issues not directly mentioned here.

- The IM reported that there have been some issues with lights on the gantry on the mainland side and we are working with Birch Electric to troubleshoot and correct the problem.
- A contract has been prepared with KPFF for Phase I of the Marine Facilities Survey. The proposed statement of work and bid has been reviewed by Benn Burke for accuracy and completeness. The estimated cost for this phase is \$31,128 to be completed by October 1, 2010. The Island Manager reported that our attorney drafted the contract for execution. The funds for this activity are currently available in the Reserves so no special assessment is necessary. The remaining task is for Fred to sign the contract and authorize the work to commence. **Kathy Deuster made a motion that we approve the contract with KPFF. Motion carried and Fred Fath signed the contract on behalf of HMC Management.**
- There was a reminder by Terrill Chillson about the upcoming time change that will affect the ferry schedule.
- It was also reminded that this is a year for the ferry dry dock and engine overhaul. No firm schedule has been established.
- Private Boat moorage at the mainland ferry dock was discussed. This will be an important issue during this year's dry dock. Mike Shettlesworth indicated that members are free to drop their boats at anchor on the mainland side without affecting private property rights. There are other boundary line issues that have been discovered at the mainland property that are currently being investigated. It was stated that it would be very helpful to know the specific boundary lines that segregate Pierce County property lines from private land.

## Rules & Regulations:

- No Report

## Emergency Preparedness:

- Two members of the Fire Department attended the Board meeting today (Claudia Jones and Chuck West) to discuss CPR and AED training. Since we are still under the PC Net umbrella, the Red Cross offers this program for free. They also reported that we will be approved for an annual burn again this year. Members then addressed questions to the Fire Dept. representatives. FD16 offered to come to the island and instruct members on structural safety issues. Alice Nelson asked about the FD response time in the event of a house fire. It was reported that response from the Home station is approximately 25 minutes including the ferry time.
- Mike Shettlesworth reported that the AED has been installed outside of the Community Center.

## Water:

See the Island Manager's report for miscellaneous Water issues not directly mentioned here.

- The Island Manager gave a brief overview of the latest actions relative to USDA funding.
- She also reported that she had contacted Washington Water to inquire if they would be interested in acquiring our Water system. They indicated that they would be interested in building and possibly managing the system, but a great deal of consideration would be required before they would consider taking ownership of the system.
- Judy Greinke read the minutes from the last WPC meeting and reported a change in plan for the upcoming vote. Members will be asked for their approval to replace our existing water system. This will not include a vote to retain or release ownership of the system. That will come at a later date. A second part of the April vote will request membership approval to fund the cost of developing the bid-ready engineering plans that will be required regardless of whether the membership later decides to retain or release ownership of our water system. In funding these costs we will also continue the process of applying for USDA funding.
- Allen Moren asked about the financials that were prepared by Fred Fath on the estimated costs to finance and install a new water system. He wanted to reiterate that much of the Peninsula Light information is based on data that was available to us over the past 2-3 years.
- A Pros & Cons document has been prepared to be included in the upcoming ballot. The Board stated that we would like to accelerate this vote to go to the membership this month (March) for counting in April.
- Fred made a point of noting that under the USDA financing solution no individual liens will be placed on members' properties; but on HMC instead.
- **Fred made a motion to release a ballot to the members to cover the two issues addressed above. In the ballot we will include a pros and cons document and a brief description of the necessity to test the validity of proceeding with the USDA loan if the members agree. Motion carried.**

## Parks:

- Tracy Anspach reported that the Parks Committee met today. There is excess driftwood at the North Beach and wood at the Nature Park that is available to members who want it. He noted that they should check with Kathy Deuster first before they harvest any of the wood at the Nature Park.
- There will be a work party on April 24<sup>th</sup> to install the small boat docks at North Beach, and a call went out to volunteers for the various other projects that will begin on that day. More work parties will occur at South Beach, Goodpastor Park and North Beach this year. A temporary patch has been placed on the basketball court until a more permanent solution is contracted. He reported that our current Parks Reserves are not sufficient to cover the entire cost of a new court so it was decided to install a temporary patch until more funds are available. Tracy will write a report for the Beachcomber.
- Pat Zazzo asked about the lack of a SaniCan at Goodpastor Park year round. It was reported that our Honey Bucket account is increasing prices by 7% this year. Her concern was noted.
- The IM reported out that on February 21 & 22 several members reported that they witnessed a blue Jeep driving through Goodpastor Park and North Beach. HMC is

currently attempting to track down the owner of the blue Jeep to request their assistance in repairing the damage that their vehicle caused at both sites.

**Roads:**

See the Island Manager's report for miscellaneous Road issues not directly mentioned here.

- Allen Moren reported that the Stop sign that was placed at North Beach has not been effective. Discussion followed about the alternatives. Dana Gruber suggested that we replace it with a Yield sign. Allen recommends removing the sign entirely. Members disagreed and Mark Anderson indicated that HMC liability issues make it worth leaving the sign in place.
- Allen requested information about current available budget for maintenance on Ferry Road. He is recommending that work be performed on the road this coming summer. Fred will review the current budget and advise.

**Technology:**

- No report .

**Rumor Control/Member Issues:**

- Allen Moren reported that a rumor is out about the Dept. of Fisheries who "has us on their radar" about HMC using salt water to wet down our roads for dust control. No one on the Board had heard this and HMC has not been approach about the issue.

**Old Business:**

- Doyle Parnell reported that he has been picking up litter on the island. The mainland litter on Herron Road will be picked up again in March. Fred will place a reminder about litter in the Beachcomber.

**New Business:**

**Action Item Review:**

- The Board reviewed deferred review of our action item listing.

**Beachcomber:**

- The next Beachcomber will be the March issue. Inputs are required electronically no later than 5:00 PM on Wed. March 17, 2010. The Beachcomber Editor is [beachcomber@herronisland.org](mailto:beachcomber@herronisland.org).

**Adjournment: Mark Anderson made a motion to adjourn the meeting. Motion carried.**

Respectfully submitted,

Janet Podell  
Secretary