

**HMC Management Board Meeting Minutes
November 11, 2006**

Call to Order: Al Moren called the meeting to order at 10 AM.

Roll Call: Al Moren, President; Kathryn Deuster, Vice President; Kathy Fennell, Treasurer/Secretary; Mike Shettlesworth, Board member; Doug Allen, Island Manager

Previous Board Meeting Minutes:

Al Moren made a motion to accept the October 14th meeting minutes; motion carried.

Correspondence: Letters from C. Crowley and R. & J. Alonso re: D. Pugh's proposal; email from T. & S. Jensen re: D. Pugh's proposal; letter from D. Guthrie at Key Bank re: financing water system upgrades; letter from S. Rich requesting a prorated assessment for lots purchased from Pierce Co.

Finance: The FY 06 financial audit is now in process. Kathy Fennell made a motion to pay the bills; motion carried. Kathy Fennell made a motion to move funds allocated to reserves in the FY07 budget from the Key Bank general account to Vanguard reserve accounts (\$10,000 Docks; \$5,000 Legal; \$12,000 Water); motion carried.

Administrative: Representatives from Key Bank are interested in meeting with Board members about financing options for water distribution system upgrades. The island manager will try to coordinate this meeting on a Friday. The office manager position will be posted in the upcoming issue of the Beachcomber and inquiries will be accepted through Nov. 30. The goal is to hire in early 2007 and begin orientation in February. The community building recently experienced flooding related to the heavy rains. A new storm drain has been installed to prevent flooding in the future.

Legal: A revocable license agreement developed by the Land Use Committee related to the Pugh property has been forwarded to the island attorney for review.

Land Use: Kathryn Deuster provided an update on the development of a revocable license agreement between HMC Management and the Pugh's. Once it is approved by the island attorney, it will be presented to D. Pugh for review and negotiation of minor changes. The final agreement will require final approval of Board. A request by an owner to designate a deer feeding lot was denied by the Land Use Committee. The lot at 619 W. Yew that recently sold at tax sale has been quit claimed to HMC Management and we have received the deed.

Transportation: The island manager is considering changing employee drug testing to a company located in Seattle. The recent Coast Guard inspection to renew the ferry's certificate of inspection went smoothly. Relief captain, Paul Crowe, is now working fulltime on the Anderson Island ferry but will continue as a backup. There was discussion about cost estimates and desired features of generators that can operate the docks during power failures. Doug Allen is researching this, and will present information at the next Board meeting.

Rules: Merry Kogut provided a written report to the Board.

Emergency Preparedness: The committee will meet November 14th to discuss purchase of defibrillators.

Water: A team from Peninsula Light Company recently visited the island to see the water system. The company is now preparing proposals for different levels of involvement in the water distribution system upgrade. At a minimum, Peninsula Light will be involved in the joint installation of underground electrical and phone lines. An article will be included in the upcoming Beachcomber reminding members to call Peninsula Light to inform them about power outages. Island owner, Mike Davis, is the island's new certified water system operator, replacing Larry Williams.

Parks: The Parks Committee held its initial meeting last month and developed a charter. Kathryn Deuster made a motion to accept the charter with minor revisions; motion carried. Small dock removal went well in general, but Dick Mowry recommended that the dock sections be cleaned in a safer way. The Parks Committee will develop a plan for this before next fall. The committee will meet next on December 3rd. Ongoing issues include rules enforcement and how to deal with abandoned boats at North Beach. Al Moren will contact the Department of Licensing re: identifying boat owners, and will address this issue in the upcoming Beachcomber.

Roads: Dick Mowry reported that there were a couple of breakouts related to recent heavy rains and debris in ditches. Problems can happen quickly, and some culverts have been improperly installed. There was discussion about possibly charging owners for ditch maintenance, notifying property owners in critical areas, and including ditch improvements as part of the annual budget.

Boosters: A Thanksgiving gala will be held this evening at the community building.

Old Business: None.

Beachcomber: Articles for the November/December issue are due by the close of business on November 15th.

New Business: All petroleum related materials must be removed from around the well site. A letter has been sent to Gary Hansen regarding removal of his property from a HMC lot. Pierce County is also involved. Al Moren will check the perc status of the Galluci lot.

Adjournment: Mike Shettlesworth made a motion to adjourn the meeting; motion carried.