

HMC Management Board Meeting Minutes

November 8, 2014

Call to Order: Gary Wanzong called the meeting to order at 10:00 AM.

Roll Call: Gary Wanzong, President Co-Treasurer; Janet Podell, Vice-President; Pat Zazzo, Co-Secretary; Dianne Degood, Co-Secretary; Mike Graham Co-Treasurer; Claudia Ellsworth, Island Manager (IM).

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

Previous HMC Management Board Meeting Minutes: Gary moved to approve the October 2014 HMC Management Board meeting minutes. Motion carried. Copies of the approved minutes are now available to the Members present during the meeting.

Correspondence:

- Email from Member concerned about damage from a falling tree.
- Email from Member regarding road maintenance.
- Email from Member regarding the recording of Board Minutes.
- Email from Member recognizing volunteer effort.
- Email from Member regarding meeting minutes on the website.
- Letter from Key Bank regarding HMC CD.
- Letter from a Member regarding trespass and tree and shrub cutting.
- A recall notification from Fiskars. Safety issue with a type of loppers.
- National Concrete Cutting submitting a quote for cutting a door opening in the old reservoir.

Finance: Gary moved to pay the bills for the HMC Management General Fund and HMC Water Department as presented. With no further discussion motion carried. Discussion of rollover cash from previous fiscal years. A line item was added to this year's budget that deals with rollover funds. In order to avoid paying taxes on these monies, excess rollover funds will be put into reserves accounts. Excess cash is approximately \$90,000.00 from previous years and 2013/2014. \$85,000.00 was put into the Dolphin Reserves and \$5,000.00 was added to the Roads Reserve accounts. This action lets HMC show no profit and avoid paying taxes on these monies. The water account had a rollover of \$16,000.00 that will go into the Water Reserve. The water account will show no profit.

An offer was made to settle an assessment that was in arrears. HMC responded with a counter offer that was accepted. This property owner no longer lives in the Country. HMC has recovered all attorney's fees and a good chunk of the back assessments.

Formal Statements:

- **Statement made by a Member thanking the Board for all that they do and supporting Board Members Janet Podell, Mike Graham, and Gary Wanzong.**
- **Formal statement made by Dianne DeGood, Board Member, in regard to accusations made by the Board at the September Board Meeting on the advice of her attorney. Full statement is attached.**
- **A Member called for Board Members Janet Podell and Mike Graham to step down due to exceeding their authority on the Land Use Committee. Member also called for Gary Wanzong, President, to step down as, in the Member's opinion, Gary has lost his credibility. These Members were encouraged to step down to avoid a recall.**

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

Water Operations: Charles Smith reported: Emphasized that the reason Pierce County and the Health Department is visiting the pump station so frequently is that if HMC does the compliance testing now and is successful then the compliance rules ease up and there will be more years between compliance testing in the future which saves HMC money.

Water Committee: Judy Greinke reported. One full year of water usage for every connection is now on a spread sheet. The usage per connection ranges from 0 to 4,900 gallons average per day. The Committee is working on a fair usage rate schedule. HMC is required by the state to encourage conservation by charging those who use more to pay more. HMC cannot show a profit so the tiered payment schedule must not allow for a profit. Billing is expected to be every six months. Members who prefer to pay monthly will be allowed to do so. Billing will be done on an average daily usage basis. Any usage over the base fee would be charged per gallon in probably two different tiers. Tiered billing will not begin until October 2015. The Water Committee usually meets the Thursday before a Board Meeting.

Fire Department Liaison: See Island Manager's Report.

Land Use Committee: Claudia reported. The Key Peninsula Land Use Advisory Commission's meeting November 19 at the Key Pen Library discussions will include the request to allow commercial yards in the Key Peninsula area. Claudia will be attending.

Pat Zazzo made a motion that the Board adopt the proposed changes to the Land Use Committee Charter and Mission Statement as presented in the October Board Meeting. Discussion ensued. Motion carried three votes in favor, two against.

- A Member accused Mike Graham of taking pictures of the buildings on his property. Mike Graham denied doing so and no one present knew who had done so. Janet Podell also stated that she had not done so.

Emergency Preparedness: There will be a meeting today at 12:30. No December meeting. Next meeting January 10.

Parks: Tracy Anspach reported. Three kayaks and one boat remain at the N. Beach. They need to be removed. If they remain at the N. Beach on December 1, they will be moved to the back of the Community Building to be claimed or disposed of. The erosion problem at the N. Beach will be a topic for a future Board Meeting.

Roads: Jack Wells reported. The Committee has proposed that HMC cut a hole in the door of the old reservoir so that the structure can be used for storage. The Board has discussed this. National Concrete Cutting has submitted a quote plus tax of \$1,300.00 to cut a 7ft by 8ft by 8in concrete door opening in the old reservoir. A second proposal is to put a 16ft wide gate in the pump station on the south end along the road so that heavy equipment more easily access the yard. These proposals are both Roads and Water related. These proposals are in the planning stages. A written proposal will be submitted at the next Board meeting. No grading bid at this time.

Ferry and Ramp Painting: See Island Manager's report for a historical account of the marine infrastructure.

Gary Wanzong reported. The 2010 report will be posted on the website under the Archived Documents tab. The Dolphin replacement is a big ticket item. To replace the clusters (the type of dolphins we have now) would cost 4.6 million dollars. The tripod type (required for heavy clay soils) would be 2.2 million dollars. It is not likely according to the previous soil samples taken that we will require the tripod type dolphins. The monopile and fender type of dolphin would cost approximately 1.2 million dollars. Engineering costs can range from \$260,000.00 to \$460,000.00. Mike Graham brings much experience in this arena and has agreed to be the project manager. Claudia found the previously done soil report. Mike has already gone over that report and anticipates that HMC may not need to do the extensive soil testing which could knock off anywhere from \$200,000.00 to \$400,000.00 off the engineering costs. If you have engineering experience and can help with a project like this, please get in touch with Mike. This project needs to be done in the most cost effective way. Currently there is \$200,000.00 in reserves. HMC will be looking into funding options and will be building the reserve during the next few years. Although it appears at this time that HMC will be able to install the monopile dolphin systems, planning will take a worse-case view and prudently plan for the tripods to go in. Life expectancy of all options is fifty years.

The Ferry won't be running during this project so HMC is looking at alternative ways to shuttle Members to and from the mainland. The monopiles require two weeks per side for installation. If tripods are required, they require four weeks per side.

Legal Liaison: HMC attorney has assigned a paralegal to collections and it is the opinion of the Board that this is approach is working very well. Another delinquency was paid in full. Several others are in a payment plan.

Technology: The Committee is meeting Thursday in the Community Building at 1:30. All welcome. Attendance via Skype is available.

B.O.O.S.T.E.R.S: Annual Thanksgiving event this evening. Social hour at 4:30 pm. Turkey dinner at 6pm. Raffle and live auction after dinner. Everyone is welcome.

Beachcomber: Articles must be electronically submitted by Wednesday, 5 pm, November 12th for the November/December issue.

New Business/Old Business/Rumor Control:

Ferry: Gary Wanzong presented HMC's situation in regards to the ferry preventative maintenance (PM) schedule. The preventative maintenance schedule has come into focus partly due to the small cost overrun in this latest shipyard period. HMC doesn't currently have a formal written PM for the ferry. One is currently being created with the assistance of the electronic and paper records of bills for the ferry dating back to 1996. HMC will have a spreadsheet which will direct the Finance Committee's future planning.

HMC has learned that our current schedule of dry-dock for the Coast Guard inspection can be amended. The inspection every other year is still required, but it can be done in the water and can, in fact, be accomplished at our site. The inspection takes about six hours. If the PM schedule can be aligned so that many of the maintenance item can be done

when the ferry is in dry-dock then we may very well be able to go to the shipyard less frequently. It costs approximately \$10,000.00 just to make the run to the shipyard and park the boat. The Ferry PM schedule will be firmed up this next year so that we will be ready before bids go out for our next cycle.

Thanks to John Farris who has been doing one heck of a good job maintaining the boat. When such time comes that John retires or hits the lotto jackpot and moves to warmer climate, we don't want to lose that huge amount of corporate knowledge which is one of the reasons we need to get the schedule on paper and in the office.

- A Member suggested that a baseline survey of all equipment which would cost approximately \$600.00 to \$1,000.00 be done.

Bylaws Meeting Requirements: Last month a question came up about the Membership/Board Meetings. Gary Wanzong, Pat Zazzo, and Claudia met with HMC's attorney to gain clarification regarding meetings. HMC Bylaws and State Codes allow for four different types of meetings. Two of those meetings are Membership Meetings. There are regular Membership Meetings which are held on the second Saturday in June at noon. There are also Special Membership Meetings which can be called by the Board or the Membership. There is a clearly defined process and time requirements for these meetings. There are two types of Board Meetings. One is the regularly scheduled Board Meeting that occurs every second Saturday of the month at 10 o'clock in the morning. There is also a Special Board Meeting which the attorney referred to as a "working meeting". This meeting is authorized under HMC Bylaws in section 5.10. This meeting is so the Board can get together and discuss projects. Advance notice to the Membership is not required for "working meetings" that the Board convenes for business purposes.

Member Concern re: Pierce County Code Violations and the Land Use Committee (LUC): Much discussion ensued.

- The Spouse of a Member accused the Board of "illegal actions" and asked when we might have a transparent Board.
- A Member pointed out that any Member of HMC has the right to travel the roads and observe to determine if activity complies with the Rules of Herron Island. The Herron Island Rules require that HMC Members comply with Pierce County Rules and Regulations and the laws of the State of Washington.
- A Member suggested that HMC carefully and clearly differentiate between watching for rules violations of the Herron Island Rules that we have all voted on and put into effect and watching for violations that fall into Pierce County's jurisdiction.
- Janet Podell stressed that not a single name on the LUC's list of properties has been referred to Pierce County by the Board or the office staff.
- A Member spoke in support of Dianne DeGood and asked that the Board retract the September reprimand of her.
- There was a discussion regarding the activity of the Pierce County Assessor on Herron Island during the last couple of months.
- The Board stressed that it had no part in compiling the LUC list of properties.
- A Member suggested that HMC contact Pierce County and inquire who complained about the tagged properties.
- A Member said it is incumbent on the individual property owners who are contacted by Pierce County to ask the pertinent questions.
- A Member suggested that the list of properties was selectively created.
- A Member suggested that the LUC Chair be replaced.
- A Member suggested that Members get involved and volunteer for committees.
- A Member suggested that committees hold meetings at times convenient for more Member attendance.

Executive Session: No executive session held.

Since there was no further business, Gary moved the meeting be adjourned. Motion carried.

Respectfully submitted,

Pat Zazzo, Recording Secretary