

**HMC Management Board Meeting Minutes**  
**October 13, 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 Management Board Meeting Minutes:** Mark Anderson moved to approve the September 8, 2012 HMC Management Board meeting minutes. Motion carried.

**Correspondence:** There were two items of correspondence:

- The USDA Outlay Report #7 for Water Construction approving a payment of \$163,864.69
- Email from a Member regarding drainage issues

The Board received additional emails from:

- A Member asking about the Water Project schedule and budget
- A Member regarding the Security System after gas had been stolen on the Mainland
- A Member asking to visit the Shipyard while the Ferry was in Dry Dock.
- A Member concerning other Members' suggested implementation of a Dark Rule and extension of the Noise Ban.

**Finance:** Pat Zazzo reported the fiscal year of 2011-2012 has ended, leaving us in good financial shape. The big projects undertaken during the last fiscal year were the work on the North Beach Docks, which was completed under budget, and the Water Project, which is expected to be completed well below the estimate planned for this work. The Ferry Revenue was over the budgeted amount by \$20,000, giving us additional income. Part of that has been attributed to the Water Project Crew coming across every day and purchasing Ferry tickets. Our legal fees were higher than expected because of unanticipated delinquencies and preparing the documents to sell HMC properties. A Finance Committee meeting is scheduled for November 3<sup>rd</sup> to discuss the budget from last year and start planning for the budget next year.

**Pat Zazzo presented the bills for the HMC Management General Fund and the HMC Water Department to be paid for the current month and moved to pay them as presented. With no further discussion the motion carried.**

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

The Island Manager thanked Rondi Amidon for working in the office so that Carolyn Snyder could take a few days away from the Island. She also thanked those who helped at the Small Boat Dock rescuing the boats during the high winds last week.

**Security:** There was one official report of gasoline stolen from the Mainland while the Ferry was out for Dry Dock. Everyone was encouraged to file a police report when something like this happens so the law enforcement realizes it is a continuous problem. After checking the new cameras installed on the Mainland, it was hard to identify when the incident happened. The daytime clarity of the cameras is very good, but at night it is not as clear. We have learned that it might take an infrared remitter to have the night pictures show up better. We are now evaluating how to get a better quality of picture during the night.

**Law Day Workshop:** The Island Manager and Sherri Anderson attended the workshop in September.

**Water Systems Repair and Operations:**

- The Water Crew did not work during the Ferry's absence, but is back up and running. Charles Smith reported that there are approximately 11 or 12 remaining hookups to complete and then the lines will be flushed and tested for a purity test. When everything passes, they will begin installing the meters.
- Next Monday, the power may be out throughout the Island until 4:00 pm. A large Douglas fir is blocking the installation of some of the service laterals and must be removed. PenLight is coming out to take the wires down so the tree can be taken down.
- Mark Anderson stated that we are getting a lot of information from the Project Engineer and the Island Manager through the mass emailing, which goes out regularly and is keeping us up-to-date. He thanked the Island Manager for making all of this happen. There are still some Members who are not on the email list and phone the office and others who just don't know. The email list continues to grow but we need everyone on the list.

- HMC received a reimbursement from USDA for the Water Project. Some this reimbursement goes back into the HMC General Fund to pay for the cost of Resident Inspectors, the storage shed built at the well site, and other miscellaneous costs.
- The Island Manager spent a few minutes talking about the status of the Water Project. Including all seven change orders approved to date, the total “current budget” for the Water Project is \$1,818,870, or 78.7% of the amount available through the loan (\$2,308,700), leaving \$489,830 available for contingencies. There is about \$104,000 of this current budget that we are not going to spend because the work was completed for less than budgeted. For example, we budgeted more for interim interest than we expect to spend, and more for the ADA improvements than we actually spent. Presently our total hard costs are about \$1.7 million which is 75% of the initial \$2.3 M budget. Originally the per-Connection share to pay for the water system was estimated at \$6,000, but it could be well below this estimate.
- A Member complimented the Island Manager on the work she has done to make this Water Project a reality and also in getting the emails out to the Members informing them of what is going on.

**ADA Restroom and Parking:** The Restroom was inspected and approved with the exception of adding grab bars where needed. Once this is completed, they will accept verification by phone. The ADA Parking has turned out nicely and also passed inspection. A new sidewalk was added to connect the patio in back.

**Fire Department Liaison:** Mike Shettlesworth and Andy Anderson completed the driver training class conducted by Fire District #16 and are qualified to drive the Fire Engine. Mark Anderson presented them with Certificates acknowledging their accomplishments.

**A Records Retention Policy** was introduced by the Island Manager. The purpose of this Policy is to assure proper retention of HMC official records, while allowing for regularly scheduled destruction of outdated or otherwise unnecessary documents. After reading the Policy, the Manager suggested changing the method of destruction which read: “Destruction of *financial* records will be accomplished by shredding” to “Destruction of *sensitive* records will be accomplished by shredding”. A Member asked about possibly digitizing the records we are required to keep. Since technology is ever changing, it is possible that the media these records would be saved on might not be available in future years. **Mark Anderson moved to adopt the Records Retention Policy subject to the one change of the Method of Destruction from “financial records” to “sensitive records.” With no further discussion the motion carried.**

#### **Land Use:**

- HMC Management has two full price offers on the Lots for sale. Two other transactions are being negotiated. The rest of the HMC-owned Lots have been listed for sale on Craig’s List.
- The current Rules include an Encroachment Policy. The Board of Directors has decided to move this out of the Rules document and list it as a separate Policy. This Policy is for the purpose of ensuring the condition of Island roads are not adversely affected by work performed on behalf of individual property Owners with legitimate reasons for encroaching the HMC road or road right-of-way. Members must obtain a permit (Form 13) from the HMC Office and pay a security deposit of up to \$1,000. The deposit will be returned when the road is restored.
- Jack Wells, Roads Committee Chairman, suggested that Members take a picture prior to encroaching, so the Roads Committee can judge whether the road has been restored to the way it was prior to the work. With PenLight encouraging underground service, it was suggested that Members not dig diagonally across the road, but straight across to minimize the length of the trench that is exposed to the road. And before a Member does any digging, they should call a locator service to mark any current underground lines. Mark Anderson suggested we adopt the Policy and then incorporate these suggestions into the Application. It was also noted that whoever is doing the work must be a licensed contractor.
- Another Member suggested that we should expect the Owner to adhere to Pearce County Codes. Encroachment Permits will not be issued during periods in which the ferry is out of service in the shipyard.
- **Mark Anderson moved that we adopt the Policy Regarding Encroachment Onto Island Roads as written. Motion carried.**
- The Policy will be adopted as presented, but the Board of Directors will work on adding the comments Members have given today.

**Emergency Preparedness:** The meeting today was cancelled because of the Parks workday scheduled to remove the docks at the North Beach Marina.

#### **Community Garden:**

- The process for Membership use of the Community Garden, previously documented in the Rules, is now set forth as an HMC Policy. Members may sign up annually and new users will get a plot assignment on a first-come, first-served basis. Annual expenses, such as hose replacements and keys, will be shared by all gardeners. New managers for the garden are Stephanie Jensen and Betty Eccles.
- A Member asked about Members paying for the water usage on the Community Garden. Judy Greinke explained that there will be a meter at the Garden and the costs will come up. But the plan is to see how much is used and then decide whether it should be an HMC Management expense or shared by the individual gardeners on a use basis. The North Beach Marina will also have a meter and water will be free for Members to use for washing boats and other uses.
- **Mark Anderson moved to adopt the Policy for Use of the HMC Community Garden and work out the costs later. Motion carried.**

**Parks:** The Docks will be removed from the North Beach Marina this afternoon following the Board of Directors meeting. The BOOSTERS will provide coffee and rolls at 12 noon.

**Roads:**

- Jack Wells reported that the committee has been very busy and is asking for Board approval to barge a load of rock in to North Beach. The total cost of the rock (approximately 10,000 tons) and barge delivery will be about \$22,000 and should cover our requirements for two years. After the construction crew completes the water project, the plan is to store the rock up at the water tower site where it will be fenced in and secure. They are not sure how the construction crew will repair the roads, but Massana's proposal was to add 4,500 tons of rock to the road after the Water System is completed. (Board Note: the Massana proposal actually reads in part as follows: *The bid quantity will be set at 4500 tons. This assumes 32,000 LF of roadway with an average width of 15 ft and an average depth of 0.15 ft.*)
- It was also suggested that rock delivered to North Beach be distributed as needed before putting all of it at the well site. Jack said that they won't leave it at North Beach for any length of time, but there will be costs of moving it to the water tower and he is not sure how many trucks loads it will take. The costs for hauling could be between \$60 and \$100 per hour, making the total cost around \$23,000. The consensus was to see the condition the contractor leaves the roads and this will show where to put the rock first.
- A Member asked if it would be more cost effective to bring only half as much rock over by truck. It was noted that in comparing the barging to trucking, that they couldn't bring as much over with a truck to make it worthwhile.
- The Island Manager also noted that a lot of the previous road conditions were affected by all the water leaks in the system and that should improve.
- Mark Anderson asked the Roads committee to put their request into writing, so the Board of Directors can have a firm record of the costs. The Board will then have to discuss the timing and budget for this request.
- Jack Wells then talked about the drainage problems at the Single Lane Road. John Kalmbach, who is a stormwater employee for the city of Renton, sent a proposal for solving this issue and the Roads Committee plans to meet with him to make sure this will be a benefit for the Island and work with the homeowners in the specific area. They have to make sure that the improvements will benefit all the Members and not just a single Member. The positive outcome in repairing this drainage issue would be a reduction in the liability of HMC and its Members. Right now, the plan is to add culverts to divert the water away and to purchase erosion tube for quick response material..
- The Roads Committee will also be trimming branches and brush from the ditches in the HMC road rights-of-way. A Member has donated a chipper for one week to get these limbs out of the way. But they are looking for volunteers to come forward to feed the branches into the chipper.
- The water system contractor had proposed to upgrade the roads for \$160,000, but we will not be accepting that proposal. The rock material can't be financed as part of the USDA loan We also want to close the loan as soon as possible to avoid continuing interest on the interim financing for the Water Project.
- Any rock Massana adds now would just address the areas that need it the most. They are contractually obligated to come back in the spring to restore and complete the roads after everything has settled. Charles Smith, a resident inspector, explained that the contract stated that they will return the roads to what they were or better. This means they will add two inches of rock in the trenches . Massana is contracted to restore the roads in the areas that they disturbed (i.e., the trenches), but not the entire road. They will finish the top of the roads so they can be graded smoothly. They will also bring a roller and grader over to bring the roads back to the condition they were before

they started. It was recommended to wait and until Massana has completed work on the roads and then plan from there.

**Ferry:**

- The Ferry received its Coast Guard “out of water” inspection which went very well. They found no problems. The crew touched up the red and white paint. They also had mechanical shaft seals installed, which is expected to protect the shaft from excessive wear. The increased cost of these new shaft seals is expected to be offset by the long term cost savings associated with not having to rebuild or replace worn shafts as frequently as before.
- Several vendors from engine companies came to look at the Ferry to prepare bids for the new engines and transmissions. The problem is that we are so far out from the actual repair, that it is hard to get a firm bid. The costs usually go up at the end of the year by 2% or 3%. But we should expect a bid after January.
- The Coast Guard will be back again to do an operational and safety inspection for an annual review. The shipyard inspection is a biennial inspection.

**Legal Liaison:** We currently have 16 delinquencies and nine are with the attorney for action. Our delinquency rate is 4%.

**B.O.O.S.T.E.R.S:** Janet Podell reported that there will be a BOOSTERS event this evening at the Community Center. It will start with a Social hour at 4:30 and Potluck supper at 5:30, followed by a meeting to discuss the upcoming Thanksgiving potluck and the projects and events for the year.

**Beachcomber:** All items for the next Beachcomber should be sent electronically to the Editor no later than 5:00 p.m., October 16<sup>th</sup>. The October issue will be a Brief Edition and will not include the President’s message or advertising.

**Rumor Control/Membership Questions:**

A Member asked about the dust we had in late August and September and whether it was HMC’s responsibility to take care of the problem. The Island Manager stated that it is clearly HMC’s responsibility but by putting water on the roads we were making an effort to help the problem.

Another Member asked about a Noise Pollution proposal and it was stated that the Board is evaluating all comments received.

Another Member asked who to contact when you have a Board question. It was suggested to send it to all Board Members or the Member Input email address ([memberinput@herronisland.org](mailto:memberinput@herronisland.org)).

Judy Greinke reminded everyone that flu shots will be available for Members of the Island on Monday, October 15<sup>th</sup> at the Community Building. It will occur around 4:00 pm for those who are interested.

**Executive Session:** The Board of Directors met in an Executive Session to discuss the sale of HMC properties, potential litigation, and personnel issues. The Island Attorney is working on the legal issues and the Island Manager is working on the other issues. **Janet Podell moved that the Board President, Mark Anderson, be authorized to sign any Real Estate offers that come in at the full price as advertised. Motion carried.**

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

Respectfully submitted,

Dianne DeGood, Recording Secretary