

## HMC Management Board Meeting Minutes

October 11, 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 September 2014 HMC Management Board meeting minutes. Motion carried.

### **Correspondence:**

- An email expressing interest in using the ferry for a commercial shoot.
- An email from a Member about extending the summer ferry schedule.
- A letter from a Member concerned about the possibility of trees being cut down.
- An email from a Member asking about the status of the formation of an HMC volunteer fire team.
- An email from a Member saying that they have purchased two properties adjacent to their property.
- Audit Agreement from Michal Kander, CPA.
- Note from Member Re: Late Fee.
- L & I Notice of Rate Increase effective January 1, 2015.

**Finance:** Gary moved to pay the bills for the HMC Management General Fund and HMC Water Department as presented. Motion carried.

- Lengthy discussion regarding the overrun of the Ferry Shipyard expenses and budgeting process.
- Discussion of date for transferring rollover cash to the Reserve Account.
- A check received for \$11,000 to satisfy a delinquency. This check will fall into 2014/2015 fiscal year.
- Due to the sale of properties HMC will lose two assessments.
- Question of whether or not HMC was paying a Member's bill. It wasn't.

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

- Discussion of bank accounts for HMC General and Water being consolidated for purposes of efficiency. Separate books being maintained for Water and HMC General Account.
- Discussion of budget line item for Audit expense.
- Discussion about contract with Auditor. **Gary made a motion that the Auditor's contract be approved. Motion carried.**
- DNR having a briefing on its draft Aquaculture Habitat Conservation Plan at the Library in Summit, Monday at 6:30pm. Claudia Ellsworth is planning to attend and will report back on status of the Plan and its impact on Case Inlet.

**Water Operations:** Charles Smith is on vacation. Claudia reported. Yesterday there was a Board and Water Committee meeting with Northwest Water Systems. This was a customer satisfaction meeting that will be held every year. HMC and NWS are both happy with the working relationship. Northwest Water Systems is \$200 cheaper per month than was the former contractor. There was no rating increase for coliform testing for 2016, however, if testing is required more frequently this expense would rise.

**Water Committee:** Judy Greinke reporting. Collecting of usage data continues. Explanation of Tiered Billing System given. Committee is looking at setting a fairly high base (Tier 1) usage figure. Tier 2 Billing would include charges for heavy usage. A Member asked if we need to anticipate higher bills. The answer is that unless the cost of operating the system increases, we will be spreading the current cost base over the same number of users if you don't use a lot of water your bill is not expected to increase. HMC only takes in enough revenue to operate the system. Tier 1 usage figure is subject to excise tax. The Tier 2 water usage figure is taxable at a higher rate. Tier 2 and a possible Tier 3 need to be set so as to mitigate tax issues as well as administrative expenses.

- A Member asked if the meeting dates and times could be published in advance so Members can be in attendance. Suggestion made that meeting information be posted on the website home page.

**Fire Department Liaison:** Claudia reported. Survey & Rating Bureau is expected to review Herron Island's fire response time and Claudia will look into whether or not the review has occurred. A Member emailed to say their fire insurance rate had increased significantly. October is the deadline for applications for volunteer firefighters to be submitted. HMC is

hopeful that there will be the required number of qualified applicants to at least maintain our current Survey & Rating Bureau standing.

- Another Member in attendance received no increase on their recent fire insurance statement.

**Land Use Committee:** Claudia reported. County discussion of zoning change to allow contractor yards in R-10 Residential zones continues. This change would allow permitted contractor equipment to park at the pump station. This change would have no impact to our tax structure or our budget. This zoning change would impact all of Key Peninsula.

- Pat Zazzo submitted a proposed revision to the Charter and Mission Statement of the Land Use Committee that would limit the Committee's authority to HMC-owned property only. Heated discussion of Land Use Committee activity ensued.
- A spouse of a Member called for the resignation of Janet Podell, Mike Graham, and Gary Wanzong.
- A Member suggested the abolition of the Land Use Committee.
- Claudia stated that all HMC-owned property including roads and parks, is part of the collateral for the USDA loan for our water project and will have a lien attached until such time as the loan is paid off in approximately 40 years. The marine structures are not part of the collateral and are under no lien.
- Discussion regarding transparency of HMC Board and HMC Committees ensued.
- Discussion ensued regarding HMC interaction with Pierce County Code Enforcement. Mark Lupino, the enforcement officer, has been working with HMC and the roads contractor on the issue of proper permitting and the zoning change that would allow permitted contractor vehicles to be parked at the pump station.
- Discussion of Form 13 which addresses trailers coming over to Herron Island on the ferry took place. **Pat Zazzo made a motion to abandon the HMC Form 13. Discussion continued. Motion carried.**
- A member suggested that an article regarding trailer waste water removal be put in the Beachcomber and on the website.
- A Member made a suggestion that HMC remove the trailer designation on the Herron Island Map.
- HMC Water Department required to report the number of full-time residences and the number of recreational and part-time residences and trailers.
- Consideration of the future of Land Use Committee will take place.

**Emergency Preparedness:** Pat Zazzo reported. Emergency Preparedness meeting every other month. Next meeting to be held November 8, at 12:30. Mike Shettlesworth reminded Members to clean their chimney, inspect and clean their stoves and observe safety practices as the temperatures fall and wood stove usage ensues.

**Parks:** Tracy Anspach reported: A 20 foot chain, chain binder, and hooks will be purchased to facilitate the removal and installation of the North Beach docks. A reminder to remove your kayaks from North Beach was made and a suggestion made that a reminder to the Membership to comply with the Herron Island rules and remove the kayaks for the season be placed in the Beachcomber and on the website. Abandoned kayaks and small boats may be auctioned off in the spring.

**Roads:** Jack Wells reported. Work at S Herron is pretty much finished up with just a couple of little things yet to do. The Committee is working to schedule the grading contractor to come out for grading and also working with him to determine if gravel needs to be applied at the same time. A plan should be finalized in the next couple of weeks. A water drain is needed at N Beach. A culvert may be put there to reduce damage to the road. Working to get a price for the second gate at the pump station to allow better access to stored materials.

- A Member will be building a garage and HMC might need to do something about widening the road at that point since the road runs on the member's property. There was discussion of water issues impacting road widening adjacent to this property on the single-lane road. Property owner is in no rush.
- A Member said that if HMC is using a Member's property then it needs to clear this up and be fair to every Member.
- A Member mentioned that water was collecting in an area of E. Herron. Crown of the road contributing to problem.
- When sign posts are available, the installation of a street sign at Fir Lane will be completed. Another sign is need for S Herron and E Madrona. Half a dozen posts will be purchased. A volunteer will install the signs.
- A Member questioned the purpose of the stop sign at E Madrona and S Herron. Road Committee will evaluate Herron Island stop signs.

**Ferry and Ramp Painting:** Capt. John Farris reported. Ramp cables were replaced successfully last month. After leaving the shipyard, the ferry needed to return to the shipyard due to a minor plumbing issue. The plumbing was quickly fixed and the Charlie Wells returned to Herron Island and resumed its schedule that afternoon. New metal grating was installed in the engine room during the dry dock. While this grating resulted in a budget overrun it was reported that this

grating will last the life of the ferry. Paint job took longer to do as new approach to applying marine paint is being used. Now painting is postponed during times of high humidity not just when it is raining. Humidity meters are used to determine when conditions are correct. The paint job would not be guaranteed if done in high humidity conditions. Capt. John explained that everything suggested and implemented on and for the ferry is intended to extend its service life and reliability. John stated the planning for shipyard is difficult as some things come up suddenly and cannot be foreseen. Because the ferry is in service 365 days a year many repairs can't be made until service is shutdown.

- A Board Member noted that the estimate given to the Finance Committee for the shipyard work had been spot on. The overrun was due to the unexpected cost of the engine room grating and the failure to factor in taxes.
- A Board Member suggested that a ferry contingency line item be added to the budget.
- A Chrysler dealership has expressed interest in shooting a commercial on the Charlie Wells.
- Claudia reported on the Ramp Painting Project. Nothing further will be happening until initial plan specifications and cost estimates are presented sometime around January 15<sup>th</sup>. HMC will have a month to react to those. Permits are currently being applied for and that will take some months. HMC anticipates that there will be walk-on ferry service available during the project.
- Claudia reported that an inspection has been done of the pilings in the dolphins to determine when replacement should be done. This information will be used to create the budget for 2019. Results of that assessment will be back this week. Soil samples will be taken in the future to determine what type of dolphins we will be able to install.

**B.O.O.S.T.E.R.S:** Meeting this evening and Potluck. Will be planning the upcoming annual Thanksgiving Dinner on November 8<sup>th</sup>. All are welcome.

**Beachcomber:** No October Beachcomber.

**Other Business:**

- A Member suggested that when the ferry is out HMC hire someone to stay in a trailer in the mainland parking lot to ensure vehicles are not vandalized. Another suggested that those who leave their vehicles in the parking lot donate to a pool to pay for security. A temporary fence was also suggested.
- A Member asked the Board to consider contracting for weekly cleaning of the port-a-potties at the North Beach and the Mainland as usage has increased beyond what was expected. In the case of the Mainland unit, County workers have been using our facility as they work on a road project. The County will be contacted and asked to provide their own port-a-potties. A Member recommended that other Members who are having a large gathering contract for a port-a-potty for their gathering. Delivery and pickup could be scheduled to coincide with the servicing of HMC's units. Another Member reports that Key Peninsula residents are using the mainland County Beach to avoid user fees at Pen Rose Park and Joemma Park. We are getting more and more garbage and usage of our port-a-potties. Reminder given that the lattice surrounding the N Beach port-a-potties needs repair due to an accident last spring.
- Rumor that HMC paid for a veterinarian bill for a dog injured by a deer was put to rest. HMC did not pay for a veterinarian bill.
- A Member suggested that copies of the draft minutes be made available to the Membership immediately prior to the Board Meeting or that once approved copies of the minutes be made for distribution to those present. Decision made to provide copies after the minutes are approved.
- Question asked: "Is there a Land Use Committee or isn't there a Land Use Committee?" Answer is that there still is. No vote has been taken to disband the Committee yet. The Committee currently has only two members. Janet Podell and Mike Graham have resigned from the Land Use Committee.
- Discussion of when the Finance Committee would be meeting. Decision to have the Finance Committee meet in December which will allow more time for any needed follow-up meetings.
- Member expressed concern that the Board met outside of the regular Board Meeting. Discussion of the bylaws followed.
- Discussion of the loss of two assessments due to Member acquiring contiguous properties.
- Short discussion of the administration budget.

**Executive Session:** No executive session occurred.

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

Respectfully submitted,

Pat Zazzo, Recording Secretary