

**HMC Management Board Meeting Minutes
October 8, 2011**

Call to Order: Mark Anderson called the meeting to order at 10:00 AM.

Roll Call: Mark Anderson, President; Gary Wanzong, Vice President/Asst. Treasurer; Dianne DeGood, Secretary; Judy Greinke, Treasurer; Pat Zazzo, Member at Large; Claudia Ellsworth, Island Manager (IM).

Dianne announced she would be recording the meeting for the purpose of completing the minutes. Dianne also operated a second recorder at the request of a Member. The Board will not continue this practice of recording for individual Members.

Mark explained that from now you may see some changes to the minutes. They will not be as detailed and more streamlined, so if you want the details, you will be responsible for taking your own notes.

Previous Board Meeting Minutes: Mark Anderson moved to approve the September 10, 2011 meeting minutes. Motion carried.

Correspondence: At the request of Carole Crowley, Dianne read a letter that Carole sent to the Board. There were 8 additional items of correspondence received during the month:

- Michael Kander, our CPA, stating that he understands he will be doing the audit for the last fiscal year. It will be started November 1st and he will issue a report no later than January 31, 2012.
- A Member resigned from the Rules Committee. She was thanked her for all of her work on the Rules Committee.
- Email applying for an open position.
- Volunteer for the Emergency Preparedness Committee.
- A Member sent an email about people kayaking in the swimming area where the smaller children swim on the North Beach.
- The Regatta Participants asked that they might be able to leave their boat trailers parked at the North Beach during the race.
- A Member sent an email suggesting speed patrols on the Holiday weekends and to have guest passes completely filled out so the crew doesn't have to deal with it.
- A Member who has two contiguous lots and wanted to know if he had to have two water hookups.

Finance:

- Judy Greinke announced that we have just completed our fiscal year, September 30th. We are in good standing compared to what we budgeted for the year. Doing the budget and knowing where the money should be allocated is sometimes an educated guess. But most departments have done very well in keeping within their amounts. We still have our \$30,000 buffer plus some extra funds, but we still have some of the bills coming in.
- **Judy Greinke presented the bills to be paid and moved to pay the bills as presented. Motion carried.**
- We do need Board approval for the Auditor's costs of \$4,000 to \$4,500 for the audit. **Judy moved that we use Mr. Kander for the audit. Motion carried.**
- We are now in the process of setting up the Water Utility banking account. We have plenty of reserves in the water account. Because we have sufficient money in the general fund, Judy proposed moving \$30,000 into the Water Utility account to help pay some of the bills for operation and maintenance for the Utility. **Judy moved to transfer \$30,000 from the General Fund of HMC into the Water Utility checking account to operate and administrate the**

billing, etc. for the Water Utility once the Articles of Incorporation have been registered with the Washington Secretary of State and the IRS gives us a Tax ID number. Motion carried.

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

Water System Project:

Steve Chapin reported today is our second anniversary of forming the Water Project Committee as it now stands. We have been working two years to get to this point and we couldn't have gotten this far without the Island Manager, who keeps after the paperwork and makes sure things keep moving ahead. Steve thanked the IM for all this work.

The schedule includes possible construction during the summer months, but we are hopeful that bidders will find ways to expedite construction with the goal of completing the project by Memorial Day. Jester says that most contractors can put in 210 feet of pipe a day, and that will start around March 1. If the contractor has one crew, it will take until September and if they have more than one crew, they could finish by Memorial Day.

Right now we are working on about a \$2.2 million project with about an average cost of \$5,400 per water meter. Any prepayment of the meter cost will reduce the USDA loan. The \$2.2 million does allow for some contingencies. We would like to see the work kept out of the summer months.

There will be a bidder's conference that will last all day. At that time the bidders will have questions about the use of the Ferry, transporting materials, where to store materials, and where they can put construction trailers on the Island.

The first phase is to redo the pump house, getting the power in place so that they can start testing the flow. When this occurs they may need a four hour window of no service, so Members will be notified of this. We currently have 220V open delta 3 phase power. The water project will include installation of "True 3 Phase Power" as part of the Pump House upgrades. The water well site will also be fenced for security.

Water Utility: The IRS requires that the HMC Water Utility be established as a separate entity. This assures Members that water revenues will be applied to support only the costs of the water system. The Board should adopt Articles of Incorporation establishing the Utility.

Mark moved that we resolve to form the Utility as a corporate entity and file Articles of Incorporation for the Utility with the Washington Secretary of State. Motion carried.

Judy explained that the Water Utility will also have corporate Bylaws and they will have to go out to the Members for a vote of approval. To the extent possible, we plan to mirror or parallel the existing Bylaws of HMC Management.

Emergency Preparedness: Board member Pat Zazzo has undertaken the task of getting this committee reconstituted. Pat reported that at least one Person has volunteered to help reconstitute this important committee. They are moving forward to get leadership for this committee, and are planning to follow the B.O.O.S.T.E.R.S. practice of using co-chairs for the committee. Rebecca Davis is the person who volunteered, but is a tenant so cannot chair the committee. Mike Shettlesworth volunteered to Co-chair if someone would come forward and help him.

Parks – Committee Report: Due to tides, the Parks Committee is having its annual dock removal and project work party today at 1:00 pm, following the Board Meeting. All are encouraged to come and participate.

As far as the kayaks being in the swim area, that shouldn't be a problem after we get the new dock next spring. The swim area will be well defined and no boats or kayaks will be allowed in the area.

Roads: Dick Mowry said that they are going to restore the park area down by the Gages and Boenders. After the Water project begins, the contractor will be required to leave the roads in the condition they are in when they started.

Rules: Mark Anderson reported that one Member has recently agreed to work on the Rules Committee. Revisions to the existing rules are pending with the Board. Merry Kogut, and Max Hochenadal, and Kathy Deuster have worked on the revisions. We still invite input into that. There will also be some revisions in the Bylaws to accept the changes of the rules. Concerning the email about the boat trailer parking during the Regatta events, it was stated that the rule in place is for a safety issue. There is not a date when all this will be completed. One Member asked who to contact to volunteer.

Transportation: Mike Shettlesworth retired in April, so now those issues are addressed by the IM, the Ferry crew and the Board of Directors. Ferry Access policies are being reviewed at this time, but we want to go over them with the crew before adopting a final document. We had planned to have the Ferry Access Policy ready to vote on today, but we are tabling this until the next Board meeting, so that we can address any concerns, do it correctly, and have an appropriate policy document.

B.O.O.S.T.E.R.S.: Mark Anderson is working on a Herronopoly game to be the big prize for Bingo at the November B.O.O.S.T.E.R.S. event, November 12th. We will have a Turkey dinner along with potluck. Calendars will be sold for \$15 each at the event. The goal is to re-build the money up to \$3,500. The money made will go into getting apparel to sell next summer.

Beachcomber: We considered publishing it every month since we have moved to online only, but decided to publish a Beachcomber Brief Edition just to bring everyone up to date each month on the Water Project, B.O.O.S.T.E.R.S. activities and any important items that need to be addressed right away. The next full edition will come out in November.

Rumor Control/ Member Issues:

A Member asked about the Ferry ramps having a lot of rust and do we have money to fix it? It was noted that it was just a rumor and we are required to have inspections every two years. January will be time to do another inspection on both sides. We are budgeting to work on that in our 2013 budget. When the last report that came out there was only cosmetic rust, not structural rust. Another Member stated that when they budgeted for the ramps, they did not take into consideration for new planks on the ramps. So that might be something else to consider.

Gary said that there is a new law in place that requires us to do reserve analysis differently. We are forced to do a formal reserve study by 2012. This must be done by a professional and every three years we must have a third party look at it. We have a spreadsheet to work with so that we can do the preliminary numbers before sending it to the professional in hopes to save a little money on the report.

Unfinished business: There was no unfinished business.

New Business: A Member said that she had a guest who parked their car in the Mainland parking lot and walked on the Ferry. But, she had her car broken into. She suggested that maybe we report any criminal activity on the Island or Mainland parking lot, so that Members would be more careful and more watchful of what is going on.

With no further new business the Board recessed to go into an executive session to discuss employee relations.

After reconvening the meeting **Mark Anderson moved to ratify the contract between HMC Management and the Inland Boatman's Union on behalf of members of the ferry crew. Motion carried.**

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

Respectfully submitted,

Dianne DeGood, Recording Secretary