

HMC
Island Manager Report
Annual Membership Meeting
June 8, 2002

Recap of changes, projects and progress during the past year

Ferry

- New spare ramp motor and spare parts for motor controls.
- New docking lights are installed on the ferry. Very helpful in winter darkness.
- A spill kit (pollution control kit) is now carried on board the ferry.
- An inverter (produces 110 volt power) was purchased by the Boosters.

Ferry operations

- A new relief (fill-in) captain has been hired and trained.
- The Washington Employment Security Department raised HMC's unemployment insurance rates based on a number of former employees making claims over the last several years. Our rates should go down again once the four-year rolling period that the State looks at takes into account the fact that we have had no turnover in personnel since January, 2000.

Ramps/piers (docks)

- All cables (wire rope) on both ferry terminals have been replaced. They were seven years old and the large counterweight cables had multiple breaks of individual wires and were very brittle. These were the same type of cables as one, also carrying a counterweight, that failed at the State Ferry System's Kingston terminal. That failure appears to have been due to over-long exposure to the marine environment, and damage to the ferry ramp was very expensive to repair. We wish to avoid this type of failure.
- Additional UHMW material (high-density plastic) has been placed on two mainland dolphins to prevent damage.
- Large signs with safety instructions are mounted on the ramp bridge steelwork.

Roads

- Road dust control program continues. Work is underway on the electric pump station at the North Beach, with electrical work the major item remaining to be done.
- Road maintenance continues and roads and drainage are generally in good condition.

Facilities

- The Pavilion has a new roof, thanks to the Boosters.
- The large room in the Community Building has a new acoustical ceiling, also thanks to the Boosters.
- A new well pump was installed in Well #2 after the old one failed. At the same time upgraded wiring and motor controls were installed in the wellhouse and reservoir.

Administration

- All three lawsuits pending against HMC were settled in mid-2000.
- The U. S. Coast Guard assessed a civil penalty for safety violations related to the accident in 1999. The penalty could have been as high as \$16,000 but an agreement was reached between HMC and the Coast Guard that resulted in the final amount being only \$2000.

- The Company's insurance and risk management program has recently been updated in order to adequately cover the various risks to that HMC is exposed to, as well as covering the maritime operations. We have a new insurance broker, in an effort to lower insurance rates wherever possible.
- Insurance costs are being held down to levels as low as we can get in the current difficult insurance market. Maritime insurance premium cost was reduced on the basic policy. Premiums on non-maritime policies generally went up, with the highest increase at 69%. It should be noted that insurance is currently a seller's market and HMC and its members, guests and employees need to do everything in their power to strive for an accident-free environment so that we do not need to file any insurance claims.
- HMC's By-laws have been reviewed by the Island's attorney. The Rules and Regs are in still in the process of being updated.

General

- Three island residents continue to receive fire department training in order to maintain their emergency medical skills.
- The island has a new Webmaster, webpage storage capacity has been increased through the use of a new server, and the webpage is being maintained on a regular basis.
- Shredded rubber has been placed around playground equipment at Goodpastor Park.
- A number of junk vehicles have been removed from the island and a boat and two trailers removed from the former Lewis property now owned by HMC.

Looking ahead

The ferry goes into drydock on September 22nd for its bi-annual Coast Guard inspection, engine rebuilds and other maintenance work. This year the hull will be sandblasted to strip all old bottom paint (this special paint is designed to reduce marine growth) and new paint applied. Additionally, the transmissions are due to be rebuilt. Expected time the ferry will be out of service is about two weeks.

An engineering firm, Montgomery Water Group, Inc., has started work on a Small Water System Management Program that will provide a blueprint for maintaining and upgrading the island water system in the years to come, as well as satisfying State Department of Health requirements.