

Island Manager Report  
January 14, 2017

**Administration:**

Thanks to Merry Kogut for keeping our calendar on the website! Mike & Judy Gage maintain the whiteboards; Mike Shettlesworth changes the flag at North Beach to honor branches of the military (and removes our trash cans for pickup on Monday). Terrill Chilson updates the ferry brochure each year (a new one is posted at the website and ferry).

**Sale of HMC Lot:** Sale of this lot ran into a roadblock when we discovered that HMC did not have clear title to the property. HMC has retained Mark Anderson to clear the title and we expect this to be resolved soon. Two parties have expressed interest in purchasing the lot.

**Water Operations:** Charles Smith will report.

Hydrant 5-11 was replaced on Wednesday, January 11 and is now operable. One fitting needs to be replaced in order to make it “fire department ready”, however.

The water maintenance trailer will soon have, in the tool box, a map of fire hydrant locations. In addition, Charles Smith is preparing a graphic to show how to operate the trailer, wrenches, hose, nozzles and fire hydrants.

**Water Committee Report:** Charles Smith will report. The committee is reviewing revenue and expenses of the Water Department to recommend to the Finance Committee possible revisions to the base fee and water usage tiers for 2017-18. If changes are recommended they will be reviewed at a membership meeting before action is taken.

**Fire Department Liaison:** Nothing to report.

**Emergency Preparedness:** Mike Shettlesworth will report. The Committee meets at 12:30 Saturday, January 14, 2017 at 12:30 in the Community Building. A water maintenance trailer demonstration is set for 1 p.m.

**Parks:**

Orders are being placed for materials to be used in two parks projects, the first of which is maintenance and painting of the dock floats; the second landscape maintenance at North Beach. Members will see materials being delivered and stockpiled in anticipation of volunteer work parties for these two projects. A walking tour of parks is set for Saturday at 1 p.m.

**Roads: Committee Report.**

Reflective strips have been installed on the barrier at the corner of Maple and East Herron to improve visibility at the corner.

Upper culverts on Ferry Hill and East Madrona have been cleaned, but are clogged at the bottom and need opening. Charles Smith checked culverts during the rainstorm and removed some blocking debris.

Ferry Hill is showing signs that it needs resurfacing, and two bids have been received. Cost will be in excess of \$35,000. Funds in reserve are not sufficient at this time.

Drivers can help with road maintenance by NOT driving into potholes, which has the effect of opening them up again.

**Rules:** Hearing was held January 7<sup>th</sup> on the one outstanding complaint. Resolution not yet announced.

**Herron Island Ferry:**

**Dolphin Replacement Project:** The project Invitation to Bid was issued Friday, January 13. Bids will close February 15, and will be opened at PND offices in Seattle. After the bid opening, there are preconstruction meetings and steps to be taken before the start of construction, all of this spelled out in the USDA Letter of Conditions. Construction should begin in July.

KeyBank financing is also tracking, and the Board President should be authorized to execute the agreement, the terms of which are WSJ Prime + 1.5%, 12 months, interest only.

DNR has informed us that the draft lease is nearing the end of their internal review. All permits needed to be received before DNR would proceed with the lease replacement, and that has been done. Once we have the draft lease, the Board President can sign for HMC. The tidelands lease area will be resurveyed at the end of dolphin construction, and that language incorporated in the lease by reference. HMC will be billed for any amounts owing as a result of the resurvey.

Here is what we received from DNR: *The legal description of the leasehold currently describes three 70-foot by 60-foot rectangles. Since these legal descriptions were originally provided in 1973, the structures have been rebuilt and the aquatic land boundaries (extreme low tide) may have migrated. Per WAC 332-30-122 (1)(b)(i), determination of the leasehold area for fixed structures should include the area physically encumbered plus the open water area needed to operate the facility. Thus, after construction, new leasehold boundaries will need to be identified based upon the new area occupied by the improvements and any areas outside of the improvements which are needed for facility operation (e.g. boat moorage or structure maintenance). These new leasehold boundaries should be reported to DNR following construction when HMC Management provides the survey that will serve as the "Final Exhibit A" referenced in the lease.*

*To account for the anticipated change to the leasehold boundary after construction, we've added a clause to Exhibit B which will allow us to collect back rent for the increased area for the period between the start of the lease and completion of the as-built survey. Please keep in mind that a larger lease area will result in an associated increase in rent since rent is charged based upon leased area.*

**Ferry Crew:** Dan Morgan, Herron Island resident, has qualified as a standby deck hand. Be sure to say hello. Robert Westby has qualified as a standby captain and will be working a couple days later this month. He is a resident of Puyallup. We have an additional standby deck hand, Charlie Folk, in training and possibly another standby captain.

Donnie Surratt has announced that he will retire March 15, 2017. Donnie began work for HMC in 1991 as a standby deck hand, and was hired for a permanent position a year later. That's 26 years of service on the ferry. He's expressed interest in staying on as a standby deck hand, so this isn't the last you will see of him.

**Passenger Log System:** The iPad system seems to be working well; some small changes have been suggested to help provide better information to the deck hands.

**Health Care:** Four of five employees completed the health care assessment. Their participation is worth more than \$830 each, saving HMC \$3300. The last employee has until the end of March to complete the assessment.

**Transportation Committee:** No report.

**Technology:** No report.

**Legal Liaison:** We currently have 18 delinquencies, four of which are with the attorney for collections. Delinquency rate 4.7%. Last year at this time we had 28 delinquencies. Currently, HMC has 380 Assessable Units (a reduction of one from last month) and 397 Water customers.