

**HMC
Island Manager Report
Annual Membership Meeting
June 12, 2004**

Overview

Another year has passed and Herron Island continues to be a great place to live or to have a recreational place. The HMC members who serve on the Board and on committees and volunteer for projects continue to make great contributions to the community, as do the Boosters. These include building replacement concrete pads for the North Beach boat launch ramp (with more corrosion-resistant steel reinforcement than the originals) and obtaining a new float for use as a swim raft.

The island was recently profiled in an article published by the Washington state chapter of the national Community Associations Institute.

Below is a summary of some specific areas of interest:

Ferry

- Ferry will go into dry dock in late September, probably Monday, September 20. It will therefore go out of service Sunday evening, September 19.
- The topsides, bulwarks and cabins will be painted.
- Both engines will be rebuilt. One, which had an oil pump failure last fall, will only require partial rebuilding as it received extensive repairs earlier.
- A new alarm system covering overheating, low oil pressure, fire and excessive water in the bilges has been installed by ferry crewmembers. Only the steering compartments bilge alarms, which are behind steel bulkheads, remain to be completed. This will be done while in dry dock.
- The Coast Guard will do a thorough inspection. This will include testing of the hull to determine that there are no weak spots in the steel. The ferry is an "inspected passenger vessel" and as such must pass regular Coast Guard inspections, both in dry dock and while on the water.

Ferry operations

- A new part-time (fill-in) ferry captain with a great deal of experience has been hired. There are still two fill-in positions for which we would like to hire qualified persons.
- One part-time deckhand moved off the island. A replacement has been hired and he is currently training on and accumulating Coast Guard-required sea time on the HMC ferry in order to upgrade his captain's license. With the upgrade he will be eligible for hire as a part-time captain.
- There has been no turnover of the regular crew since January, 2000.

Ramps/piers (docks)

- The ramp mechanisms have been operating well, with no motor failures.
- New signs advising drivers and passengers of ferry protocols have been purchased.

Roads

- Road dust control program continues. The saltwater pump and the water truck have proved their worth. This spring volunteers cleaned out the water tank and cleaned and enlarged the spray nozzles, allowing the water dispersal to go faster.
- Road maintenance continues and roads and drainage are generally in good condition. It is planned upgrade certain areas most in need of it during this year
- CenturyTel placed quite a few of their telephone lines underground this year. In doing so they damaged some portions of the island roads and water system. These have been repaired by HMC's contractor and full reimbursement made to HMC by the phone company.

Water

- The island's water supply itself continues to be excellent. Testing shows that it is very low in nitrates and has very low or non-existent levels of other chemicals. However, as occurred last year during warmer weather, we are exceeding regulatory levels for coliform bacteria. These act as an indicator of potentially greater problems. No bacteria have been found in water as it comes from the two wells.
- Advice from various sources, including the State Department of Health and a rural water expert who visited the island, is that the contamination is occurring in the old concrete water tank used as the island's reservoir. The tank is cracked and it leaks in numerous places. The recommended solution is to replace it as soon as possible.
- Plans are being made to purchase and install a new reservoir that will hold more than three times the water the current one holds. It will be designed to meet fire flow and health department capacity requirements, while keeping stored water fresher and free of contaminants. A vote of the membership will be required in order to move ahead with this project.

Administration

- The Company's insurance and risk management program has again been updated in order to adequately cover the various risks to that HMC is exposed to, as well as covering the maritime operations. Our broker continually looks for the best values available, and costs are being held to levels as low as we can find, consistent with obtaining good customer service with a quality brokerage.
- Once again, it needs to be noted that insurance continues to be 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 Rules and Regs updates are nearly completed.