

Island Manager Report  
January 12, 2013

**Administration:**

**Volunteers:** Judy Gage has stepped up and volunteered to maintain the white boards at the island and mainland sides. Sabra Duback and Deb Kraft help maintain our community building facilities. We are still in need of volunteers to help out with some HMC projects and tasks. First, we could use some licensed electrical help in the Community Building. And we need a volunteer to post “HMC Lot for Sale” signs on 10 properties.

If you are willing to volunteer, please contact the Office.

**Email Notification List:** We had a few more new signups this month, and the email list now reaches 283 addresses. Some families have multiples, but we are still reaching 70% of the membership. If you are not on the list and wish to be, please contact [office@herronisland.org](mailto:office@herronisland.org) or [hmcmanager@herronisland.org](mailto:hmcmanager@herronisland.org).

**Burn Ban and Power Outage Text Notifications:** One of our Members has let us know that you can use your cell phone to sign up for burn ban updates by texting the keyword PIERCEBURN to 313131. You’ll get a confirmation text that you have subscribed to the list, and the next time a burn ban is called, changed or cancelled in Pierce County, you’ll get a text message.

From the KeyPen News: For Smartphone or Twitter updates on PenLight power outages. Start a new text message, and in the “send” box type 40404; in the message box, type “follow Pen Light Co.” You’ll get a confirmation that you are now following PenLight on Twitter, and you’ll receive power outage information from PenLight – the cause, how many affected and when PenLight expects to restore power.

**Reserve Study Proposals:** This year HMC is required to conduct a reserve study, under a new State law. The purpose behind the requirement is the lack of transparency among HOA’s in conveying the true cost of ownership, especially where assessments have been set too low, allowing deferred major maintenance to become a time bomb for current and future owners. (A case on point is the Raft Island Bridge, where only 200 homeowners will be paying back a USDA loan of approximately \$5 million in bridge replacement costs.)

The reserve study is to be published with the proposed budget this spring. The first reserve study must be based on a visual site inspection conducted by a “reserve study professional”. The study should be updated annually, and “at least every three years an updated reserve study must be prepared and based upon a visual site inspection conducted by a reserve study professional”.

At the Board’s request, we sought proposals from experienced firms: Association Reserves of Federal Way, Cedcore of University Place, and Jeff Samdal & Associates, of Woodinville. Their first year fees range from \$5,400 to \$6,500, including water system analysis. Each is willing to reduce fees if we have our project engineer prepare a 30-year forecast for the water system needs. By Saturday’s meeting, we hope to have reviewed the proposals and be ready with a recommendation. We are proposing to have NWS provide a projection of 30 year water system costs, in order to obtain better data.

**Water System Maintenance and Operations:** The old water system has been fully disconnected. We have not had an emergency call to WWSC for several months now, and look forward to a leak free future. Beginning in February we should be able to gather data for comparative purposes and find a reduction in water pumping and use of electricity. Once the rain slows down (?) we might also see some changes in the normally wet areas of the island, which may have been fed by the old leaking system.

## **Water System Project:**

### **Engineer's Update:**

*We have “substantially completed” the installation of the Herron Island Water System. In real terms that means everyone is switched over, and short of a few minor items, you have a new system. We had a number of people who were having trouble with low pressure on the northwest side of the island, and the culprit has been found, pressure reducing valves were installed on a number of connections where the mainline pressure was over 80 psi. These valves are adjustable, and many of them were simply set from the factory lower than desirable. After a morning of turning up valves, we appear to have resolved that problem for most people. If you are still under low pressure, please send the island manager a note and we can get that checked out before we close this off. (NOTE: Please include a contact phone number and your address.)*

*The contractor will be digging and marking valves late this week, and pouring concrete shoulders around them on Monday so as to protect the valve cans from cars, trucks, trailers, and road graders. Please be alert this coming weekend, and make an effort to avoid the coned off valve cans. You may have noticed that there's not a lot of good weather to be had, and it will help get this done in an expedient manner if the contractor doesn't have to re-dig the valve cans Monday morning before the cement truck shows up.*

**USDA Loan News:** Wonderful News! When we signed on with USDA our loan interest rate (40 years) was fixed at 3.375. The rate is set annually by the Federal Reserve. As a result of our project extension into 2013, our interest rate fell to 2.5%, a full one-third lower. Over the life of the loan, HMC will pay approximately \$440,000 less in interest (rough estimate). This is great news for our project.

USDA will come out to the island on Tuesday morning, January 15, to inspect substantial completion of the system.

**Change Orders:** We have submitted three more change orders, which were approved by USDA. These change orders were 1) extending the contract to February 10 for final payment; adjusting material costs to actual field conditions (rather than those originally bid); and adjusting contractor's costs to actual field conditions. These changes are authorized by our construction contract, as field conditions are very rarely precisely what the bid documents call for, and in Herron Island's case, the field conditions have been dramatically different.

We are entering the next phase of the water system replacement -- setting up the meter reading and billing system, setting rates, estimating labor costs for reading meters and billing, and a whole host of other matters. Members are always welcome on HMC committees, and the Water Committee, chaired by Judy Greinke, will be particularly busy.

**Engineer's Contract Extension:** The Board has before it a proposal to extend the engineer's contract by a maximum of \$12,760 in order to provide for three items – a more detailed set of as-built drawings than generally required, so that HMC has a fully detailed digital drawing; a 30-year “reserve study” projection of future major maintenance and replacement costs; and an allowance for additional compensation for oversight of the project required by the extraordinary detail needed by USDA. We recommend this agreement for approval by the Board.

**Well Site:** HMC also has acquired two 25 gallon diesel fuel caddies as part of the project, in order to assure a more adequate fuel supply to the generator in the event of emergency. In addition, Coast Exteriors has reroofed all three buildings. The remaining item to be fixed is the ventilation for the generator house, and we are looking for an HVAC company that can make the improvement, which should cost very little.

Our objective is to make final payment of all known project costs at the February Board meeting, and then to notify Members of their opportunity to pay in advance, with a very limited time to accomplish this, so that we can take out our USDA loan at 2.5% and pay off the KeyBank interim financing loan, which accrues 5.25% interest.

**Fire Department Liaison:** No report.

**Land Use:** HMC-owned lots for sale are listed on Craig's List and will soon carry "HMC Property for Sale" signs. We are looking for a volunteer to post signs. Please volunteer if you can. We have had a number of inquiries, but no sales as yet.

During meter installation, the crew noticed that we had a duplicate address – 1325 West Herron. We asked the County to review this situation, and they notified us that they will change addressing on three properties which are accessed from East Madrona to reflect that name rather than West Herron. The three property owners affected will receive notice from the County. This addressing is important to provide speedy access by emergency service personnel.

**Emergency Preparedness:** We attended a mitigation planning meeting on Monday at Fire District #5 HQ. This exercise will help us update our mitigation strategies for the plan, and coordinate with surrounding agencies.

**Parks:** Carolyn Anspach sent the following report for Parks:

*Plans to breakup and remove the basketball court will be held off until February. We're hoping to setup a small work party on the weekend of 2/9 to get the work started. After last month's high tide surge, all the items in the N Beach Pavilion are in need of a rinsing. It was also noticed that we lost four of the new white piling caps at the North Beach pilings. It could have been possibly with the high tide or wind but we're not sure how they were connected. We were thinking that if members see any show up on their shore then could drop them by the office. Maybe Claudia can ask the contractor how they attached them or make other suggestions for future replacements. Other items being added to our work list are: the fencing at North Beach and having a fence discussion regarding South Beach.*

**Roads:** Committee Report.

**Rules:** Board report.

**Herron Island Ferry:**

High tides last month caused driftwood and logs to move into the mainland parking lot and impede access to the ferry dock. During the next few days, we will experience another onset of "King Tides" peaking on Sunday, Monday and Tuesday mornings around the commute hours.

Steve Wiggins has agreed to continue serving HMC as a standby captain, so you will see him when he schedules his bi-monthly training or when he is standing in as Captain.

Spencer Crow, Gig Harbor resident, has qualified as standby deck hand. Spencer completed his training last week.

**Legal Liaison:** We currently have 21 delinquencies, of which eight are with the attorney for action. Delinquency rate of 5.3%. Last year at this time we had nine.