

Island Manager Report  
February 11, 2017

**Administration:**

Thanks to Dan Morgan for running his boat over to the mainland in the dark to get our standby captain when both regular captains came down ill. Thanks also to the Millers for quickly providing housing for the standby captain.

**Audit:** Mike Kander has begun our annual audit. Mike has indicated he will retire next year and that we should find a new auditor and accountant. We will follow up on his recommendations for the next fiscal year's audit. Costs are likely to double or triple the current \$5,500. A onetime federal A-133 audit will be required as part of the USDA project. The audit proposal requires Board approval.

**Sale of HMC Lot:** We are still working through title issues with the heirs of the previous owners, because no final deed to the property was ever recorded. Two Members have made offers on this property.

**Reserve Studies:** It's time to renew our agreement with Association Reserves for reserve studies of HMC Management (general) and HMC Water. These reserve studies are required by State law RCW 64.38.065 and are published on the website when completed. This spring, an onsite visit is required for the Water Department (every three years); and an update without site visit for HMC non-water assets. We are recommending the loyalty plan update, which covers one site visit and two followup studies, at a cost of \$1440 annually for Water; and \$1250 for HMC General.

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

An attempt was made to break into the pump station last week, which resulted in some serious damage to the main gate. We are mystified as to the motive. Each of the buildings inside the pump station is also securely locked.

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, February 11, 2017 in the Community Building. Mike has indicated his availability will be very limited for a few months. New members are always encouraged to join.

**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.

**Roads: Committee Report.**

Steve Kramer remains on the sick list, without a projected return to work.

The Roads Committee is continuing to work on the drainage issue at 11430 North Beach (West Herron) Road, where erosion of the road continues. Several other projects are also active: placement of corner barrier blocks at Maple and Yew; improvement of drainage between East Madrone and East Herron, placement of corner block barrier materials at the intersection of East Madrona and West Madrona.

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 prebid meeting on January 24 was well attended. 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.

The Board President has signed the final DNR lease and we have sent it to headquarters. We are currently gathering documentation to demonstrate that we meet the requirements for general liability, Jones Act, employers' liability, property, builder's risk, business auto, protection and indemnity, and pollution insurance. Some of these do not pertain to our situation, but all must be addressed. In addition, we are required to provide \$25,000 security. This replaces the \$1,000 CD we have been providing as security under the old lease.

Surveyors have also completed mapping of the area of work for each of the ferry terminals, and we have submitted these to DNR. At the end of construction, as built surveys will be completed, and DNR will review those surveys to determine the area on which HMC will actually pay rent. (Currently our rent is \$119.49 annually.)

**Soil Contamination Report:** DNR required soil contamination testing at the three locations: North Beach, mainland and island terminals. We are pleased to say that the testing found no exceedences of any of the samples tested. DNR is now reviewing the test results.

**Bridge Inspection:** Our wharf easement lease with Pierce County requires that we inspect the mainland dock and ramp every two years. In addition to that biennial inspection, we contract for inspection of the island side every fourth year. In 2017, we need to have the mainland side inspected. Sargent Engineers has proposed to do this work for \$3,521. Because of the ramp maintenance work done last year, we were able to push one inspection into the following budget year, with the resulting savings. The agreement requires Board approval.

**Ferry Crew:** Robert (Robbie) Westby, is our most recent addition to the ranks of standby captains, and was able to fill in during the regular captain's illness in late January. Charlie Folk, an island resident, completed his training as a standby deck hand. We now have three standby captains: Wiggins, Taylor and Westby, and three standby deck hands: Miller, Morgan and Folk.

**HMC/IBU:** Contract negotiations for the three year term 2017-2020 will begin next week.

**Transportation Committee:** From the chairman, Carolyn Anspach. The Transportation Committee had a meeting on February 4<sup>th</sup>. The committee outlined several "next steps" with new passenger log program. We also discussed the recent MariTrends Convention with the Passenger Vessel Association in Seattle last week. There might be some material available that could be of interest. Next committee meeting will be the May 6.

**Technology:** No report.

**Legal Liaison:** We currently have 12 delinquencies, four of which are with the attorney for collections. Delinquency rate 4.7%. Last year at this time we had 25 delinquencies, with eight at the attorney's. Currently, HMC has 379 Assessable Units (a reduction of one from last month) and 397 Water customers.

A Member has filed a small claims action against HMC as a result of a decision by the Rules Committee. The Board is reviewing options for appropriate action.