

**HMC Management
Island Manager Report
Board Meeting
February 13, 2010**

Administration

- **Insurance:** Judy Greinke and I met with three representatives from Wells Fargo Insurance on January 19. They toured the Island (it was their first visit), and discussed our insurance needs to gather information relating to renewal of island policies. As a result of their visit, we will eliminate the Island swimming pool coverage (a mistake arising from a misunderstanding about our park facilities!) and receive a credit of \$616.15. Other quotes will be forthcoming, including a possible change to add an umbrella liability policy (apparently called a “bumbershoot” policy when marine facilities are involved).
- **Facilities:** We continue to await repair of the driveway in front of the community building. Steve Kramer is assisting with this. Please watch your step!
- **Signage:** The ferry crew has requested signage that asks passengers to not use handheld devices while boarding or disembarking. We will be working on a sample sign for each side. Other facilities issues include future painting and repair of the employee sheds on the mainland and island side.
- **Files:** We’ve begun to develop an indexing system that will allow us to reorganize some of the files and make it easier to file and locate key information. Judy Greinke and Jean Mellor both have been helpful on this project.
- **2010-2011 Budget Preparation:** The time has arrived to begin budget preparation for the next year, and I will be contacting the committee chairs soon to work on projections.
- **Recycling of Office Equipment:** We were unable to sell the manager’s desk, and so are asking members who may have other large articles to be recycled to let us know. We will be able to schedule a pickup directly on the island, if we have enough things to make it worthwhile for the recycler. We will wait until February 28th before contacting TruRecycle. A list of recyclable items is at the front door.
- Special thanks to **Tootsie Duback** for her attention to the cleanliness of our community building!

Water Distribution System Replacement:

- On the administrative front, we have prepared several documents in the application process for a USDA/ARRA loan to replace the island water distribution system. A site visit by USDA is set for February 23rd, and is part of the application process.

The basic terms of this loan would be 4.25% maximum interest rate, 40 year repayment term, no prepayment penalty, with payments beginning six months after completion of the project. This opportunity ends September 30, 2010. Information on this loan opportunity and other possible financing of water distribution system improvements will be communicated to members in the next few months, in the Beachcomber, and on the web site. So far we have spent no HMC funds in the application process.

We have spoken with Peninsula Light's Operators Supervisor, Mike McNellis, as well, and they would be interested in taking on the water system project, if members vote to transfer ownership of the system to them. Mike was unwilling to develop a more detailed proposal until ownership transfer has been agreed to.

Commercial financing of system replacement cannot compete with the rates and terms offered by USDA, and we have consulted with our bank (KeyBank) to confirm this. They quote a commercial loan rate of 6.35%, with a 20 year term.

Water: Nothing to report, other than clean water samples.

Emergency Preparedness:

- **Natural Hazard Mitigation Plan:** The advantage to HMC of engaging in this plan process is that the corporation will be eligible to apply for pre-disaster Hazard Mitigation Grant Program (HMGP) funds to mitigate our identified vulnerabilities. Mike Davis has also been working on this plan for several months. I am meeting with Lou Dooley at Pierce County Emergency Management on Friday in an attempt to complete our plan. The EP Committee is our largest and has been very active lately.

Fire Department Liaison:

- We received the final signed agreement from Fire District #16, and all previous rents have been paid.

Land Use:

- A question arose at the previous Board meeting regarding possible consolidation of the Community Building property with an HMC owned lot next door. Investigation tells us that to do so would incur substantial costs for the land use actions involved, with few discernable benefits. Annual taxes are approximately \$228 annually (2009).
- Work will begin later this month on removing junk vehicles from several properties on West Herron Road, with the help of the PCResponds junk vehicles program. Members who are aware of other derelict vehicles, travel trailer, etc., can independently contact PCResponds on the Pierce County web site: www.co.pierce.wa.us. Thanks to Mark Luppino, Code Enforcement Officer.

Legal Liaison:

- Eight delinquencies, five of which are at the attorney's office. One property appears likely to be sold, with prospect of recovering the delinquent amount.

Parks:

- **Derelict Boats:** Alice Nelson reports that the high tides brought us two more boats from places unknown! Kathy Deuster has brought the "derelict boat" issue to the Rules Committee for some definitions before we develop a further plan.

Roads:

- **Drainage:** A "walkthrough" of drainage on the south end of the Island took place on Friday, January 8. Neighbors adjacent to the S. Herron Blvd/E. Madrona Blvd.

Intersection were invited to join in, along with the Roads Committee, Board members, and Baseline Engineering. As a result of the meeting, Baseline Engineering was asked to prepare a plan to address drainage from the high point of South Herron Blvd, to the west.

Rules: No report.

Transportation:

- **Crew Appreciation:** John Farris and Donnie Surratt both received a “thank you” from Carole Crowley for their help on an emergency run when her dog was ill. Thanks to John and Donnie!
- **Oil Spill Containment:** We are holding off on this for a few months, during labor negotiations. In order to implement the program and capture savings in one budget year, this initiative may need to be held until October 2010. Kris Mullan continues his research for used booms and spill blockers.
- **Pierce County Wharf Easement:** We have not yet received the revised wharf easement from the County, nor have we heard any more about a land swap.
- **Dock Inspections:** After offering some amendments to the contract proposed by Sargent Engineers of Olympia, we have signed the agreement, as authorized by the Board. Both docks will be inspected at a cost of \$4,183. This work will be scheduled and completed within 45 days from the date of contract agreement. Dock inspections are now set for February 17 and 18.
- **Dock Gantry Lights:** John Farris recently reported problems with the overhead lights on the island side. We’ve consulted with Birch Electric, and hope to coordinate any repairs with the dock inspection, above.
- **Marine Facility Survey:** We were pleased to receive proposals from five of the seven firms that inquired or visited the Island. These firms were KPFF, PND, Ben C. Gerwick, Inca, and CG Engineering. The proposals went sent out to our well-qualified volunteer review team of Benn Burke, Janet Podell and Terry Fletcher, each of whom has experience in either marine construction or procurement. After a detailed review, the team unanimously selected KPFF for the following reasons: Experience with HMC (dock inspection); local office with local key staff; complete team to carry the project through; demonstrated range of project types; well structured and complete scope; and competitive in terms of rates and estimated hours.

The review team has recommended that the Board authorize contract negotiations for the Phase 1 work, with KPFF. The contract will be negotiated and brought to the board for approval at the March 13 meeting. The project will be funded from the major project reserves set aside annually by the Board.

Phase I is the conditions assessment. Phase 2 would be a design report, laying out more specifically any work needed to be done, including permits, costs and schedule. Phase 3 includes Plans, Specifications & Estimates (PS&E’s), permit applications, and special studies necessary to construct repairs, rehabilitations, or replacements included in the Design Report. Because of the complexity of any work to be done, and the extensive permitting process, construction on any of these repairs or replacements would not begin

until 2012, allowing time to accumulate further reserves to maintain our marine infrastructure. At this point, HMC has nearly \$200,000 in Docks and Dolphins Reserves.

Thanks also to Kris Mullan, Jean Mellor, John Farris and Judy Greinke for their help with this project.

Technology:

- Ferry Fare Collection: Terry Fletcher/Fred Fath
Terry Fletcher is rebuilding our old office computers to use in supporting the fare collection system. Fred is preparing specifications to write the program, while Terry researches handheld devices for the crew's use.
- Terry will also be making improvements for us in office technology, fire sharing, etc. on Saturday, February 13. Thank you, Terry!