

Special Meeting of the HMC Board and Water Committee (March 20, 2008)

A special meeting of the HMC Board and the Water Committee was held on March 20, 2008 at the Community Center. The purpose of the meeting was to familiarize the Board members with all information collected by the Water Committee on the proposed improvements to the existing water system on Herron Island, and to reach agreement on next steps.

Attendees:

HMC Board: Fred Fath, President/Treasurer; Kathryn Deuster, Vice President, Janet Podell, Secretary; Mike Shettlesworth, Member at Large, John Dolan, Member at Large..

Water Committee: Terrill Chilson, Carole Crowley, Mike Davis, Judy Greinke, Alan Moren, Gerry Smith, Mary Turpin, Richard Urfer, Jack Wells, Nancy Wells

Additional Attendees: Doug Allen, Island Manager, Mike Ireland, President, Washington Water, Todd Krause, Consultant, NW Water Systems

Following introductions by all attendees, Mike Ireland from Washington Water presented an overview of his company and the services they provide. His company (owned by a California water system concern) manages small water systems in and around Puget Sound. They offer a variety of services from managing improvements on an existing water system, to owning and operating complete water systems. They also manage water systems that are privately owned like ours.

The next presenter was Todd Krause from NW Water Systems. He is an Engineering Consultant hired by the Water Committee to evaluate our system, make recommendations, and guide us towards an improved water system. He stated that water systems are typically designed to last 100 years and with the exception of fire flow, our system is still relatively good. While it could certainly be improved, there is no immediate urgency or health risk from our existing water system. His company manages small water systems, but does not own any at the present time.

Extensive discussion occurred over the course of the meeting that examined options relative to retaining the water system or selling it to an outside concern. The discussions included various financing options available to us. Additionally, the discussions addressed Peninsula Light's concept proposal and all ramifications associate with their submittal. While no "Keep vs. Sell" recommendation was made, all were in agreement that a primary goal would be to have a water system that ensures adequate fire flow.

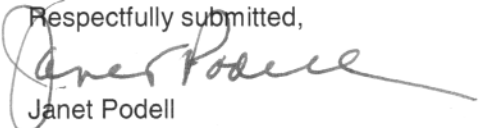
In the end it was agreed that a plan should be put forward for membership vote for the expenditure of \$40K (\$100 per assessable unit) to cover:

1. Funding of a "bid-ready" Engineering Plan to provide us a comprehensive package that could be competitively bid by qualified contractors.
2. Funding the installation of new production/source meters since the old ones are out of compliance with State Efficiency Rules.

This part of the project will be handled as a single phase with any remaining funds deposited to the Water Reserve account.

NOTE: Following completion of the meeting there were email communications that suggested a lesser amount (\$25K) might be needed since there is \$15K of previously authorized funds that were unspent last year and can now be applied to this expense. This would bring each assessment down to \$65 to fund the two items identified above. A ballot description will be prepared and shared at the next Board meeting.

Respectfully submitted,


Janet Podell
Secretary