



Report from the Island Manager

Mark Your Calendar

Saturday, April 30th 2005 will be the Community Dumpster Day and Island Clean-up Day. There will be 1 dumpster for scrap metal and 2 dumpsters for trash. Dumpsters will open at 9:00am and close at 4:00pm. There will be a fee for property owners to use the dumpsters.

Saturday, July 30th 2005 will be the Community Fun Day. Everyone one is waiting to see what Linda Ebner and her large group of volunteers come up with this year.

Harbor Master

I would like to thank Lisa Delany for doing an excellent job as Harbor Master this past summer. The marina had its best year ever.

Reminder

Property owners are reminded to contact the office at least 1 week prior to the community Elsie M run to reserve space. If there is not enough cargo to make the trip pay for itself the run will be cancelled the Monday prior to the community run.

Golf Course

The Board increased the annual golf rates to \$150.00 per year. This money will be used to do a second top dress of the greens in the fall. This will occur right after the Labor Day weekend weather permitting. The first top dress occurs around the end of March beginning of April.

Access Road Bulkhead to Division H

It is time to resolve the Grading and Shoreline violations with Snohomish

healing process between Division H property owners and the rest of the community. Bob Gowing and Dave Shank, both are property owners in Division H, have been working with me to help create an agreement that both parties will consider. The straw poll results and financing and the concerns of Division H property owners were taken into consideration during our conversations.

The project is estimated to cost \$445,536.00 to complete about 980 feet of rock bulkhead. Please keep in mind that this is on the high side of the spectrum because the representative of the company that gave me the cost estimate has not been to the island to look at the site. The straw pole showed that the property owners of the community would support paying 50% if Division H property owners would pay 50% of the project. The Division H property owners would pay a total of \$222,768.00 split between 48 lots. Each lot would pay \$4,641.00. The rest of the community would pay \$222,768.00 split between 910 lots. Each lot would pay \$248.00. Again this figure is on the high side.

Other types of bulkheads were considered including piling and I beams with timbers in-between. Bob Gowing checked with the railroad and they have had the best luck with rock. Some property owners want to use ecology blocks however the state department of fisheries will make the community replace the block bulkhead when it fails. That side of the island is a high energy tidal area. Therefore, it was our opinion that the community should do the project right

the first time and not waste money. Fish and Wildlife and the county should not have any problems with the rock design.

Financing is available through our bank. The interest rate would be 8.5% over 10 years with an interest rate change at the end of 5 years. For the Division H property owner borrowing \$5,000.00 the monthly payment would be \$102.58 for a loan of 5 years and if the rate remained the same it would be \$62.00 per month for 10 years.

Maintenance would consist of the community restacking rock every spring after the winter storms and during low tides. This will require renting a track hoe to restack the rock since the community does not own a piece of equipment to do the job. If there were to be a catastrophic event Division H property owners and the community would have to come to another agreement to resolve the issue.

This proposal still must be approved by Division H property owners and the board before a ballot is presented to the community.

Vandalism

Since about the middle of September we have had 2 cars KEYED. Both vehicle are fairly new.

HICI Board Meeting Minutes

Call to Order: The regular monthly meeting was held on Wednesday, November 10th, 2004 at the Everett Elks Club. President Stan Krohn called the meeting at 7:08 p.m. All board members were

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present.

Minutes: A motion was made and carried to accept the minutes from the October meeting as printed in the View Point.

Treasurer's report: Melody Smith presented the Treasurers report. The report was accepted as presented.

Golf: Larry Bender related the board's decision to top dress the greens on the golf course twice a year rather than once a year as one of the measures to address the mold problem on the greens. The other action will be to take one green a year and take out trees and re-landscape. This is to get more sun and wind to the greens and will begin with the green on #8, which was determined to be in the worst shape.

Vessels: Ken Baxter noted that the Elsie M haul out is tentatively scheduled for November 15th. He also reminded everyone that when planning to bring goods over on the Elsie M on the community run, it is important to call the office as the Skipper will not wait once all the people who called in have dropped off their cargo. There was also discussion of updating the list of approved cargo for the Holiday at a future date.

Maintenance/Equipment: George Alecci announces that the backhoe has finally been fixed. He also remarked on how good the roads looked. When asked why the roads got so bad this year, a discussion concluded that grading could only be done under certain conditions. That is when it is not too wet or too dry, as it was this summer. With other work going on by our limited staff, when the conditions were right, there were other priorities that took precedence.

Marina: Charlotte Maulsby reported that bids were received for the docks. Two bids were received for wood docks and one for concrete docks. The bids were diverse in scope and amount, from \$80,000 for floats only, not delivered or installed to \$380,000 without electricity or delivery to \$448,000 for turnkey concrete docks. The concrete dock bid was from Bellingham Marine, who can also do a concrete dock-like breakwater system outside of the marina that could be used as overflow dock in good

weather. They are asking for about \$10,000 to \$15,000 to do the engineering and feasibility study for this wave attenuator, which they expect will cost between \$500,000 to \$750,000. They have indicated that if they were to be granted the contract for the docks and the breakwater system, pricing could be negotiated as well as that they could also accommodate financing on the project if we chose. There will be further review by the board, and any final decision will require a vote by the homeowners.

Charlotte pointed out that the marina is a much used and needed asset and that while the need for more docks is obvious in the summer, there is almost no chance we could get permits to enlarge the marina, so this is an excellent option to accommodate this need.

A question about parking in slips that were larger than required was brought up. The policy has not changed and people are supposed to park their boats in the appropriate sized slip or face paying the rate for the larger slip. The exception is when the harbor master instructs you to do so.

Water: Melody Smith reported that nine water meters were replaced in the ongoing meter and valve replacement project. She also talked about another problem with the beach wells that is plugging up the screens. That will be looked at in the next week or two.

Old Business: Melody passed out results of the survey that was sent out with the annual ballot to homeowners and said that those results will be available on the web site or at the office. Copies can also be requested from her directly. The actual surveys will be available to look at in the office after Thanksgiving.

The water rates, which have been under review since the RO system became operational, were revised by the board and announced at the meeting. The review of costs is published in the View Point as well as the new rates. Those rates will be \$.018 per gallon for the first 6,000 gallons per month and \$.05 per gallon over 6,000 gallons per month. There

will still be an annual maintenance fee of \$120.00 to all lots with water meters as well as the \$10.00 minimum billing per quarter. A motion was made and accepted to institute these rates for the year of 2005, and subject to review for 2006. These rates are the costs to produce the water with conservation incentives in place at the level prescribed by our communities' water plan.

A meeting with Snohomish County has indicated that we have four to six months to come up with a resolution to the unresolved grading violations on the Division H access road. While the dumping done in the park area has been addressed and those violations are satisfied, the dumping done on lots 1-6 of Division H as well as the unpermitted access road is still outstanding. A contingent of Division H property owners has indicated to the board that they are near completing a commitment from their division to fund one half of the projected costs to permit and build an acceptable bulkhead. If this is completed, the board will re-propose this work to the community to fund the other half. If the community does not come up with their own proposal, the county will be in control of this decision. This will have unknown costs and fines.

Several board members attended a conference about inter-island ferry trafficking and said there was interest from providers for servicing our community. This is something the board is looking at for transportation needs as well as its impact to the community in the future.

New Business: The board announced that, as stated the previous year, annual golf rates for adults will be increased to \$150.00 per year. There will be no change to the rate for a child's annual golf rate. A motion was made and accepted to make this change.

Announcements: There is no word yet from PUD on the cable replacement in the marina.

The meeting was adjourned

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at 9:03 p.m.

Respectfully submitted,
Merrill Balanag, Secretary

Your Point of View
The Place I Love –
The Geography I Cannot
Forget

A rough wind swept across the boat, the icy tears of the sky pelted my face as I looked out toward the hat shaped shoreline for which I was headed. Out on the very point I could see the cabin where my family and I were to stay. Hat Island. The most beautiful place I have ever been.

My little gem was ignored by George Vancouver back in 1972, for he had his sights set on bigger treasures. No one paid it any attention until the Charles Wilkes Expedition in 1841 and named it Gedney Island after New York inventor Jonathin H. Gedney. After that a story book history took off; a man murdered for his money, a little old Indian lady removed by a possessive sheriff, and brief phases of logging, road construction, fox farms, and bootlegging. In World War Two the Island was used for bombing practice. Later, the Frankhausers obtained ownership of the island, and they quickly transformed it into the community that I'm familiar with. Of course, the most important part of Gedney (Hat) Island's history for me is the weekend I first came over to stay at our family friend's cabin, and my visits after that.

Standing on the beach at the northern end of my shining beauty, I look down the wide Saratoga Passage until it disappears into the mist of the distance. Flowing along the left side of the strait and behind where I stand is the glistening shoreline of Whidbey Island. In front of me, to the right of the strait, is the forested coast of Camano Island, and to my right is Everett, far off in the distance. Looking at the soft, peachy sand under my feet, I know that it is just a part of the three and a half square miles that are Hat Island. Within the ring of sandy beach and water is the dense forest and steep cliffs with which I have fallen in love.

Looking out over the edge of the bluff, I breathe the crisp, rain purified air with just the slightest sent of soot drifting out of the capped silver column upon the roof, evidence of the warm fire within the cabin. The frosted waves far below me crash into each other in a race with the strong wind that tugs at me, swaying me to the side so I stumble away from the perilous edge. The wind rips through the trees with a roar absolutely deafening. The sound is even louder than that of an old boat motor. Two eagles glide like graceful paper airplanes on the strong updraft of the cliff, soaring away behind the trees. Abandoning the bluff and heading inland, I am greeted by a path of fire, the product of the maple trees arching above me. Licorice fern spills down the mossy trunk of an ancient maple beside the brown dirt road. Lemon orbs, chocolate bowls, and pearly steeples confront the path at every turn, the mushrooms daring the adventurous to discover whether they are edible or not. Within a tunnel of honeydew tinted light, I pause by an alder; hear the gentle patter of rain on the canopy of trees above me, the piercing notes of a woodpecker ripple my tranquility momentarily, yet they fade quickly into the distance. The relaxing tune of rain on leaves slowly fades until it is gone. Small mocha-brown puffballs slowly begin to chirp their songs. The arms of their perches reach out across the road to tap my shoulder, the leaves tickle my face when I venture into the woods, pines jabbing at me like so many blunt needles. The jellyfish of the forest lean across lush ferns to sting my hands; sniper attacks by whom I can only guess. The tree trunks around me curve like the bodies of graceful dancers; their great gnarls eyes with which they survey all that goes on in their garden. A glint of baby blue peeks through the layers of cedars, alders, maples, and dense shrubs, proving the post-storm peacefulness of the waters and sky. That crystal

glint is all it takes to lure me down to the beach. The booming coasers of slate gray and murky brown have fled before the shining sun, leaving crystalline waters in their wake. The storm has not managed to remove the speckled artwork of driftwood littering the shore. Sun bleaches roots of some trees wave their lime-peach toes above my head, forming the imaginary forts of young children. Gymnast's balancing beams of light tan stretch longer than the width of a classroom; thin trampolines suspended between fat stumps. Beside them, I stand upon a giant mosaic of colorful rocks and shells of many shades. Behind me are the twittering songs of the forest birds; while above me sea gulls scream their distinctive cry.

Even here where I live, I can sometimes hear the calls of the plethora of gulls that come inland. They remind me of my beloved island jewel, which can never be effaced from my mind. Wherever I go, I can be sure that there will never be a place more beautiful to me, than Hat Island.

Erika Whitney 10/13/04
Age 13
Language Arts Essay Final Draft

Division – H Road

I am glad to see this matter coming to a conclusion. I know we want all the same thing to resolve this matter and to be good neighbors. I called several of the owners on H to get a idea of what they wanted, and 80% of the ones I called said they are willing to pay half, as long as the community would pay the other half. They also wanted to make sure that the new wall would be maintained. The Island is going in the right direction, no more bandaids. The future and growth is in all our hands, let's make it happen and work together. We are a very special community with a lot of good people.

Charlotte Maulsby

Worksheet showing how water rates were determined

Water Analysis Worksheet Hat Island Community Inc

Updated 10/31/2004

| | Thru Sept | | | | | |
|--------------------------------------|-----------|------------------|------------------|------------------|------------------|------------------|
| Production In Gallons | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
| Well Production | n/a | 2,933,497 | 3,157,613 | 3,086,016 | 876,994 | 1,578,372 |
| RO Production | - | - | - | - | 3,384,433 | 1,783,068 |
| Total Production (in Gallons) | - | 2,933,497 | 3,157,613 | 3,086,016 | 4,261,427 | 3,361,440 |

| Cost* Per Gallon | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|------------------------|----------------------|------------------|------------------|------------------|------------------|------------------|
| Well & Other Costs** | \$ 36,251 | \$ 26,644 | \$ 22,326 | \$ 36,159 | \$ 36,589 | \$ 35,497 |
| RO Costs | \$ - | \$ - | \$ - | \$ - | \$ 25,789 | \$ 25,007 |
| Total Costs | \$ 36,251 | \$ 26,644 | \$ 22,326 | \$ 36,159 | \$ 62,378 | \$ 60,504 |
| Avg Cost/Gallon | not available | \$ 0.0091 | \$ 0.0071 | \$ 0.0117 | \$ 0.0146 | \$ 0.0180 |

*Cost does not include depreciation

**Other Costs include but are not limited to labor, pipe, meter setters, repairs etc

| Revenue | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------|--------------------|
| Total Revenue (Billed) | \$ 35,413 | \$ 38,930 | \$ 50,497 | \$ 43,002 | \$ 50,031 | \$ 52,131 |
| Total Costs | \$ 36,251 | \$ 26,644 | \$ 22,326 | \$ 36,159 | \$ 62,378 | \$ 60,504 |
| Net Income | \$ (838) | \$ 12,286 | \$ 28,171 | \$ 6,843 | \$ (12,347) | \$ (8,373) |
| Average Rev./Gallon | not available | \$ 0.0133 | \$ 0.0160 | \$ 0.0139 | \$ (0.0117) | \$ (0.0155) |

| Per Gallon Figures | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|------------------------|----------------------|------------------|------------------|------------------|--------------------|--------------------|
| Avg Rev./Gallon | | \$ 0.0133 | \$ 0.0160 | \$ 0.0139 | \$ 0.0117 | \$ 0.0155 |
| Avg Cost/Gallon | not available | \$ 0.0091 | \$ 0.0071 | \$ 0.0117 | \$ 0.0146 | \$ 0.0180 |
| Net Income/Loss | | \$ 0.0042 | \$ 0.0089 | \$ 0.0022 | \$ (0.0029) | \$ (0.0025) |

The RO system is capable of producing 14.4 Million gallons of water/year.

Hat Island Community Inc 2005 Water Rates

| | |
|-----------------------------|----------|
| Annual Maintenance Fee | \$120.00 |
| Minimum Billing Per Quarter | \$10.00 |
| Usage from 0-6,000 Gallons | \$0.018 |
| Usage from 6,000 Up | \$0.05 |



PRST STD
U S POSTAGE
PAID
PERMIT NO. 281
EVERETT WA

SCHEDULE OF EVENTS

December

- 4 Sat Board work session 10:30 am
Elsie M load/run 7:30am
- 8 Wed Annual Meeting - Elks
- 11 Sat Fire Drill 10:00am
Fire Bunnies lunch 12:30 pm
Fire Cmmissioners meet 1:30pm
- 13 Mon View Point articles due

January

- 8 Sat Elsie M load/run 7:30am
Board work session 10:30 am
Fire Drill 10:00am
Fire Bunnies lunch 12:30 pm
Fire Cmmissioners meet 1:30pm
- 12 Wed Board /Owner meet 7:00 pm
Elks
- 17 Mon View Point articles due

Official Publication of the Hat Island community
3616 Colby Ave PMB 335, Everett WA 98201

Remember: All dogs must be in a carrier or muzzled while on the Holiday

Take your garbage home

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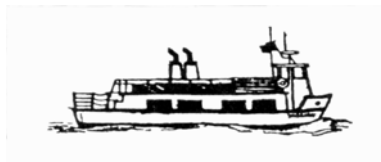
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Holiday Ferry Schedule



| Day | Depart Everett | Arrive Hat | Depart Hat | Arrive Everett | Remarks |
|------------------------|-------------------|----------------|-------------------------|-------------------|------------|
| October 23 2004 | | through | February 13 2005 | | Ferry runs |
| Wed | 8:00am | 8:45am | 9:00am | 9:45am | every Wed. |
| Wed | 3:00pm | 3:45pm | 4:00pm | 4:45pm | |
| Saturday | 9:00am | 9:45am | 4:00pm | 4:45pm | |
| Sunday | 9:00am | 9:45am | 4:00pm | 4:45pm | |