



Report from the Island Manager

Property Owner's Schedule of Events for 2006

September 5 th	Holiday Schedule Changes – See Web Site
September 8 th	Hat Island Invitational Golf Tournament
October 6 th -7 th	Kingston Cove Yacht Club Cruise

CARS

A few reminders. No car or truck will get on the *Elsie M II*. for transport to the island without a copy of the title when it loads. When you call to schedule your trip you will be asked if you have a title and the trip will not be scheduled unless you have a copy of the title. When a vehicle leaves the island for repair or service it will not be allowed to return unless the Island Office has a copy of the title on file for the vehicle.

All cars must have the lot number clearly marked on the vehicle. This includes Golf Carts and ATV's used as transport and parking in the Marina Lot.

Additional Day parking has been created along the north Marina fence

6 abandoned cars left the island during July and a new list of 15 more is being developed. Please remember to notify the office when you sell a car so that we can maintain quality records on which cars on the island can be removed.

TRASH

Have you noticed the little piles of batteries and old tires around the island? There's no need to discard your unserviceable tires or batteries around the island, bring your old batteries and tires (off the rim) to the maintenance building by the fire station. Put your batteries and tires on the left of the building and we'll arrange to get rid of them. This only applies to tires and batteries!

WATER REPORT

There seems to be a fair amount of confusion about our water system in general, the quality and amount of water we that produce, and the functioning of our Reverse Osmosis plant. So this is the first in a series of monthly articles to provide you the statistics on our water system for the proceeding months and educate you as to the operating capabilities and costs of our systems. Future reports will include more information.

Additionally we are putting the community bulletin board back into service and monthly water quality and quantity reports will be posted there for your review. Wayne Orff, our new water system manager, is on board and adapting to his new role quickly.

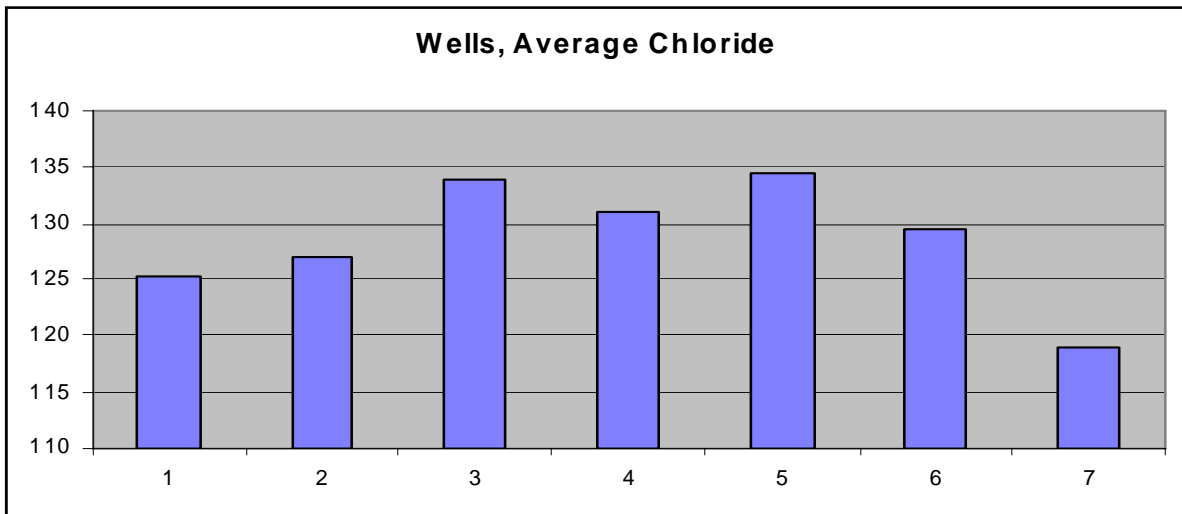
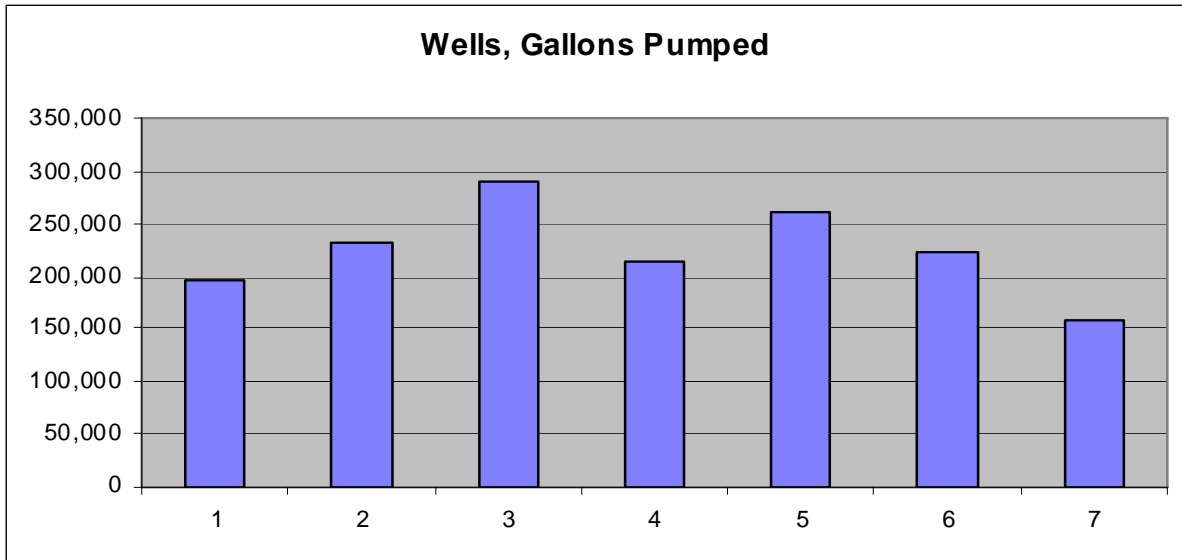
During the Month of July we produced 471,595 gallons of water. The amalgamated water contained 156mg Chloride per liter.(* State Requirements are less than 250mg/l) Because of a printer malfunction we are currently unable to extract RO production records for the months of Jan-Jun. We hope to be able to provide

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these figures in the September View Point. In the future we will also report on the average iron and manganese content of the water we produce. The RO's beach wells are fouling with iron sooner than anticipated which effects the volume of water that they can produce. This impacts RO functioning and limits the amount and quality of water that the RO can produce. The wells are scheduled to be rehabilitated on August 26th-28th and will be serviced in the spring each year from now on to ensure the RO's peak functioning through the high demand summer season. We found and repaired 4 leaks in the distribution system during July. The charts below show you how much water we produce monthly, from what sources and what the average levels of Chloride has been each month. The two graphs clearly show how the more we pump from our wells, the higher the chloride levels.

Month	TOTAL	WELLS	RO TOTALS			ALL	WATER
	Gallons Pumped	Average Chloride	RO Gallons	Average Chloride	RO % of Total	Total Water	Average Chloride
Jul	158,915	109	312,680	180	66.3%	471,595	156.2
2006	1,576,631	118					



STATUS OF OUR ELECTRIC SYSTEM

There are rumors circulating that our electric system is failing or that parts of it have failed. Here's the real scoop direct from the horse's mouth at the PUD where George and Ginger Harmon asked the following questions:

1. Are all three phase conductors of the Hat Island cable intact? What are their conditions? *All three phases are intact and in service. There is a three phase load at the water filtration plant which requires three phase power as well as several other small three phase loads on the island. The cable has seen very little electrical stress due to the small load in comparison to the cable capacity and we do not have any faults within the cable. We believe all three phases are in a good shape.*
2. Can the Island run on one phase, if other phases fail? *If one phase fails we cannot run on the other two phases due to the RO plant requiring three phase power as well as several other small three phase loads on the island.*
3. How long would it take to install a back-up generator in the event of cable failure? Would the power output from the generators be the same as the cable? *We have installed a connection point on the island all ready so it is just a matter of hauling the generator and fuel to the island, plugging it in and we should be ready to go. Depending on the weather conditions, it could take 24-48 hours to install a temporary generator on the Island. The District's plan is to install a 1 MW generator which should be more than sufficient to serve the current electrical load at the Island.*
4. Would the Island incur any cost for installing the back-up generator(s)? *It is not anticipated that the Island residents will incur any costs to install a generator as stated in 3 above.*
5. What are the future plans for electric service to Hat Island? *Continue to monitor the cable condition and if necessary either make cable repairs or install another new cable.*
6. Is there any historic documentation of the existing service to the Island? *The only historic information that we are aware of is; 1. Commission notes on the meetings held before the cable was installed, 2. Construction drawings of the original installation, and 3. Outage history data for the 12kV circuit feeding this cable and the island.*
New Under water cable Warning Signs are on the way.

ATV SAFETY

Parents should take special care in the supervision of their kids on ATV's. We had a close call this month when a young girl drove her ATV off the upper edge of the gravel pit, falling some 15 to 18 feet to the floor of the pit. She was extremely lucky as after a trip to the hospital she walked away with very minor sprains and bruises. There are many bluffs, ravines, and cliffs on our island some as high as 200 feet all of which are very inviting to kids on ATVs and all of which are unmarked and unguarded. Please ensure that your kids know to stay away from these areas.

As an aside, your fire department responded to the injury quickly, professionally, and with great compassion for the victim. She was in very professional hands.

STRATEGIC PLANNING UPDATE

After a very successful Planning Retreat on July 9th committees have been meeting to continue the work if you'd like to participate here's the schedule. Mark your calendars for October 8th to see a rough draft of the Strategic Plan at our next retreat 11AM – 3PM @ HIY&GC.

COMMITTEE	CHAIR	MEETS	LOCATION	CONTACT
Governance Committee	Ginger Harmon	Aug 27 @ 9AM	F-57	360-444-6815
Quality of Life (Golf)	Cindy Gregory	Aug 19 @ 11AM	HIY&GC	cgregory97@aol.com
Infrastructure (Marina)	Matt Surowiecki	Aug 27 @ 2PM	G-67	matt@steeler.com
Finance	Merrill Balanag	Aug 27 @ 11AM	HICI Office	balanag@msn.com
Communications	Eleanor Bruegeman			(206) 523-6002

VOLUNTEERS WILL BE NEEDED:

Dock Power: The Board has authorized the replacement of the electrical system on the docks. Over the next weeks we will be placing orders for all new shore power stands and replacement wiring all the way back to the main breaker boxes on shore. These new power boxes will be reused in the major overhaul project. We'll need volunteers remove and replace dock decking, cut and install conduit and pull the new wire. This project should take one full weekend and should occur mid to late September. Contact the office if you're interested in helping.

D Dock Replacement: We have placed an order to repair D Dock. Volunteers will be needed in Mid September to remove damaged sections of D Dock and replace them with new sections. This project should take one full weekend and should occur mid to late September. Contact the office if you're interested in helping.

Thanks: Our thanks to Linda Ebner and Jacquie Irwin who stained the new Harbor Master's building. Thanks to Ken Baxter who helped me dig the form and to Chuck Bright who poured the new section of walk along the marina.

BOARD CANDIDATES

By now you should already have received your Ballots for the September election of Board members. See their statements below. Your completed ballots must be received in the Hat Island Office not later than 1:00 PM on Saturday, September 2nd, 2006 or must be brought to the 2:00PM Board meeting.

Name: Ken Baxter **Lot #:**B-60

I would like to serve again on the Hat Island Board of Trustees. I have been involved in the building and rebuilding of Hat Island Community for over 25 Years. I worked on and supervised the building of the water tanks and the water system throughout the island. And also worked on and supervised the building of the present marina. I have also worked on and supervised the maintenance and repair of the Holiday and Elsie M. With the help of Brad Tinius I designed and built the new superstructure on the L.C.M. I am presently overseeing the building of the new docks in D. section of the Marina and the dock building will begin on Aug 1st.

I enjoy being a "doeie" of things for Hat Island Community. In 2004 I designed and built the only section of bulkhead that withstood the 2006 storms. We started investigating the R.O. Water System in 1984 and today we have a first class R.O. Water System.

I suggested this year that the board go back to the committee system so each board member chairs a committee such as Marina, Boats, Water, Golf, Etc. to involve more community members in the operation of the island.

I am a veteran of World War II (Aleutian Islands) and the Korean War. I also served 3 8 years on the Marysville Fire Dept. and served as Assistant Fire Chief. As Deputy Fire Chief helped start the Hat Island Fire Dept. #27. Served 26 years on the Marysville City Council and as Mayor Pro-Tem. Was a business owner for 50 years and retired at age 50.

Now serving on the Fire and Police Disability Board for the City of Marysville.

I will appreciate your vote.

If you have any questions please E-Mail me at kenjoan@comcast.net.

I'm a good listener and will answer your questions.

Name: Susan Dahl **Lot Number:** A19

Have Been Owner Since: August 2003

Education: Peterson's School Of Business, Many Additional Courses Relating To Real Estate And Property Management, Computer Courses And A Long List Of Classes Dealing With Personnel Management.

Occupation: Currently Retired.

Candidate's Statement: My husband Jerry and I purchased a home on Hat Island in August of 2003. Prior to purchasing our home, we frequently visited our friends Janet and Dennis Dearing and decided that the Hat Island experience was something we wanted to share with our family and friends. We currently spend almost every weekend at our home on Hat and we intend to spend approximately six months a year on the Island when Jerry retires in the next year or two. I was a Property Manager for eighteen years. I managed large apartment communities in downtown Seattle, condo-

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miniums, high-end homeowner associations, large office buildings, medical buildings, old historical buildings in Pioneer Square, office-warehouse complexes, retail shopping centers, an executive suite of sixty offices and one hundred and seventy Value Village Stores across the United States and Canada. The only thing that I have not managed is one of the large towers in Bellevue or Seattle.

Property Management involves managing a diverse group of employees and contractors, budget preparation and tenant account reconciliations, billing, bid solicitation and review, working closely with property owners and/or Boards of Directors, city officials and planning departments. I have managed many tenant improvements, renovations of entire buildings and entire shopping centers. A Property Manager reports directly to the property owner or board and provides detailed written monthly reports regarding the properties. It is a position that constantly involves problem solving and is very detailed oriented.

The future of Hat Island is very important to me. I believe that growth is inevitable; however, if we are to maintain the quality of life that we all enjoy, the growth must be carefully managed. There are some large projects that will commence in the near future and I believe my experience would be beneficial to the Board in planning and managing those projects. It would be a privilege to serve on the Board to help ensure that we maintain the unique environment that brought all of us to the Island.

Name: Linda Ebner

Lot Number: A15

Have been an owner since: May 1994

Education: High School, Seattle Community College

Occupation: Retired

Candidate's statement: I served two consecutive terms as the Hat Island Treasurer from September 1998 through September 2004. The first obstacle to overcome was that the island did not have enough money to pay wages to the end of the year. The money was borrowed from the special assessment and repaid after the first of the year. After the first of the year my top priority was to create the 10% reserve account for emergencies.

During my time on the board we as a team:

- A) Built the Reverse Osmosis system
- B) Purchased a newer LCM
- C) Bought a working dump truck
- D) Passed the first assessment increase in 22 years (after 4 tries)
- E) New computers and book keeping system
- F) Fireproof filing cabinets (used)
- G) Completed the new office and septic after the donations dried up
- H) Reinstated the \$84.00 special assessment
- I) Paid off the backhoe loan
- J) Paid off the new LCM loan at 8.5%
- K) Designed and printed info flyers
- L) Bought a greens mower and brush cutter

I am a very hands-on person and traveled with other board members to an existing RO plant to see and hear the impact that it would have on our community. As a board we also went with the island manager to look at the LCM, in and out of the water, before it was purchased.

I would like the opportunity to be on the board again. While on the board I took my responsibility to the whole community interests very seriously. My only agenda is to make this a better place to live and play without taking away from the beauty and solitude.

Name: Ginger Harmon

Lot Number: A-35/36

Have been an owner since: 1991

Education: Bachelor of Science degree from Central Washington State University

Occupation: Retired Printer and Vocational Arts Instructor

Candidate's Statement:

My husband, George and I have been a property owner on Hat Island since 1991. We have a house on A-35 that we co-own with his brother and sister-in-law. We live on the island for six months each year and spend our winters in Arizona. I have been a temporary Trustee on the Board since the June meeting when Melody Smith resigned and I would like to continue on the Board to finish the rest of her term for the next two years. I am proud that I was on the Board that hired our new manager, Chuck Motson. I believe with his help and the Boards leadership many of the problems on the island have a good chance of being solved, fixed, or improved. Not only do we have new projects on the table, there is a long list of maintenance projects that have been neglected.

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The next few years the Board has some very important work to do for the island such as the marina overhaul. I would like to be involved in that project because I believe it is important for the island to get the most for its money. I also feel that to redo the existing marina would be a mistake; we also need to increase the marina as much as we can to add more slips. I would also like to see a lift added to one of the ramps in the marina that would enable islanders to have their groceries, ice chest and other heavy supplies lifted to the top of the ramp. This would allow many of the islanders to continue to live and visit the island.

As a vocational teacher I volunteered to worked on many state Boards. I have always believed if you don't like something the way it is, don't sit around complaining, but get involved to make the necessary changes. I will take my responsibility as an island Trustee very serious. I am currently the Chairman of the Strategic Planning Governance Committee. I believe that it is important for all of us to get involved and make our voices heard about the direction that we want to see the island going in the next ten years. I have studied the results of the surveys and as a Board member I will work hard to have the majority heard. I have no personal agenda, but I want to work for you. I believe it is important to have new faces on the Board with new ideas and new solutions. If you vote for me I will work for you.

Name: Stanley Krohn **Lot Number:** W-18

Have Been Owner Since: February 2000

Education: Two Years College

Occupation: Civil Construction Engr.

Candidate's Statement: I am a past Board Member and the Current President of HIC, I have overseen the Resolution of the Division H road issue and soon to start construction repair. The Marina Rebuild Ballot, and its Scope, its ultimate passing by the Community and the ongoing design. The Current Board Members and I have been very busy, and involved the last couple of months with the interviews and hiring of the new employees, we now have on the Island. We have assisted in promoting the Strategic Planing Committee so we can work together to help promote the direction you as the community want the Island to procede, and promote good sound financial decisions for HIC. I would welcome you vote to continue helping, and implementing the future of our beautiful Island we all Love.

Name: Dennis McLeod **Lot #** G44-G46

OBJECTIVE

Provide for the future of Hat Island

EXPERIENCE

- 1965-Present Hat Island Property owner
- Prior Board Member- Hat Island Yacht & Goff Club and Board member Hat Island Community.*
- I have run a successful Machinery business including all facets of management, employment, finance, government regulation, parts and service.
- I have 50 years of mechanical experience.
- 7 years power line construction.
- 15 years construction supply.
- 30 years construction machinery sales and application.
- 20 years design and manufacturing.
- 34 years at the University of Washington's Motor Vehicle Maintenance Conference.

PLEASE CONSIDER THIS SHORT RESUME FOR MY NOMINATION TO THE BOARD OF TRUSTEE' S

Hat Island is changing. The board must take practical and reasonable steps to meet the Islands current and future needs without repeating past mistakes.



The Bookkeeper's Corner

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bookkeeper@hatisland.com

August 2006

With all the excitement generated by the Strategic Planning Committees, I thought I would extend the communication link from the Office to all the Members by way of the View Point. My name is Melody Smith, and I started the Island bookkeeping job in late May. It is my hope that you will enjoy reading my column, and won't hesitate to send me questions about anything financial relating to the bookkeeping aspects of the Island, including your statements, invoices, or assessments. Usually if you have a question, others are wondering the same.

I'm looking forward to receiving your ballots back in the office. As you probably already know, there is a request enclosed with your ballot from the Strategic Planning Committee to get your email address. Not only are we expecting to be able to email you your monthly copy of the View Point, but coming soon (probably sometime in 2007) I expect to be able to send your statements and invoices electronically as well. The Communications Committee added a place on the request to update your telephone numbers. First and foremost, having a quick and reliable way to contact you in the case of an emergency is vital (Tax Assessors not included!). If you should move and forget to notify us, and that happens in more cases than you can imagine, having your cell phone number on file will allow us to reconnect. So PLEASE return the request. If you feel uncomfortable sending the request along with your ballot, put it in another envelope and send it. Your access to Island information depends on it!

YOU ARE NOT ALONE! Last month any Members that had not fully paid off their R.O. Special Assessment received a statement. In the bottom left hand corner of the statement I added this sentence: "The balance for year 7 of the RO water system assessment is fully paid when the balance is \$331.00." The office was flooded with phone calls from members asking me to explain why they were getting statements, and what exactly did that sentence mean. 2006 is the 7th year of our loan from the bank for the Reverse Osmosis water system. If your balance is \$331.00, then you are paid up through 2006, which is the 7th year of the loan. Every member has the option of paying the entire balance off at any time, or paying over a 10 year period. If the balance has not been paid off in its entirety, then an interest charge is billed at the beginning of each year, and added to the principal balance each year, for 10 years. You are right on schedule if your balance is \$331.00. In retrospect, I'm glad that I sent out those statements. Many of the members, in anticipation of the billing of our new Marina Special Assessment billing in January of 2007, have decided to pay off the RO assessment now, since the amount is relatively low. You may want to contemplate that yourself!

Well, that's about all for now. Remember, you can contact me any time, by email or telephone, with your accounting questions. Next month I hope to have some specifics about the new Marina Special Assessments, which I'm sure you all can't wait to hear about!

Later!

HIC BOARD MEETING MINUTES

Call to Order: The regular monthly meeting was held on Saturday, August 5th, 2006 on Hat Island at the Picnic Area. Board President Stan Krohn called the meeting to order at 2:10 p.m. All board members were present.

Minutes: The minutes from the July meeting were accepted as printed in the View Point.

Treasurer's Report: Merrill Balanag presented the Treasurer's report for July.

Golf: Larry Bender stated the course is in good shape and the greens mower was fixed. A request for new flag poles was presented and that there were no scorecards or pencils available at the starter shed. The board took this under advisement. It was also noted that there were a lot of broken tees on the course and everyone was reminded to pick up their own.

Vessels: Ken Baxter noted the excellent condition of the vessels and said that we are preparing for the annual Coast Guard inspection next month. There is also a rate adjustment and standardization policy for combined loads on the Elsie M under review.

Maintenance/Equipment: George Alecci stated that all equipment is operational with the exception of the weed cutter

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arm of the brush cutter. It broke down before the entire island roads were trimmed, but the job is nearly done and the cutter will be repaired quickly so that can be completed.

Marina: Charlotte Maulsby reported that the marina project loan was in the final approval process and that the engineers on the marina project would be on the island August 8th to survey the marina for the design process. Charlotte also stated that the electrical systems in the docks at present are in such bad shape that the board authorized the immediate replacement with parts that will be transferred to the new docks when they are installed. She also updated the report on the D dock work and noted that those should be complete and ready for installation in late September. A volunteer group will be needed to install them when they arrive. In addition, safety measures will be taken to improve the ramps and docks to get through the winter. New grates and other surfaces will be installed.

Water: George Alecci reported that a SMA (Site Management Agency) was hired to replace the water license that was lost when Skip left. We will be required to have this oversight until Chuck and Wayne can become certified as Water Managers. This will take about 2 years. The outfall project is still on track for this summer. The beach wells are plugged again with iron, causing the RO to produce at 50% capacity, so the board has established an annual maintenance regimen to prevent this from happening again.

Old Business: Stan reported that the Division H access road project is back on line, having gotten a solution to the legal issues for the county. This puts the permit process back on line, but has delayed the August 15th start date. It is still expected to be completed before winter.

New business: There was no new business.

Announcements: The election for 3

new board members is slated for the Annual meeting to be held on September 2nd, at the Picnic Area on the Island. Ballots will be sent out next week and must be received by mail or in person by the start of that meeting. All candidates present at the meeting were given an opportunity to introduce themselves after the meeting.

The meeting was adjourned at 2:30 p.m.

Respectfully submitted,
Merrill Balanag, Secretary

Questions Asked at Meeting:

Q: What are you doing with the electrical repair? Are you replacing the boxes?

A: Yes, the boxes will be replaced with 30 amp and 20 amp services as appropriate to the slip sizes to prevent the problems that we are now having with not enough 30 amp services.

Q: Since the current docks have to be used through this winter, is there any way to have new rubber corners and additional cleats installed?

A: We will see what we can do.

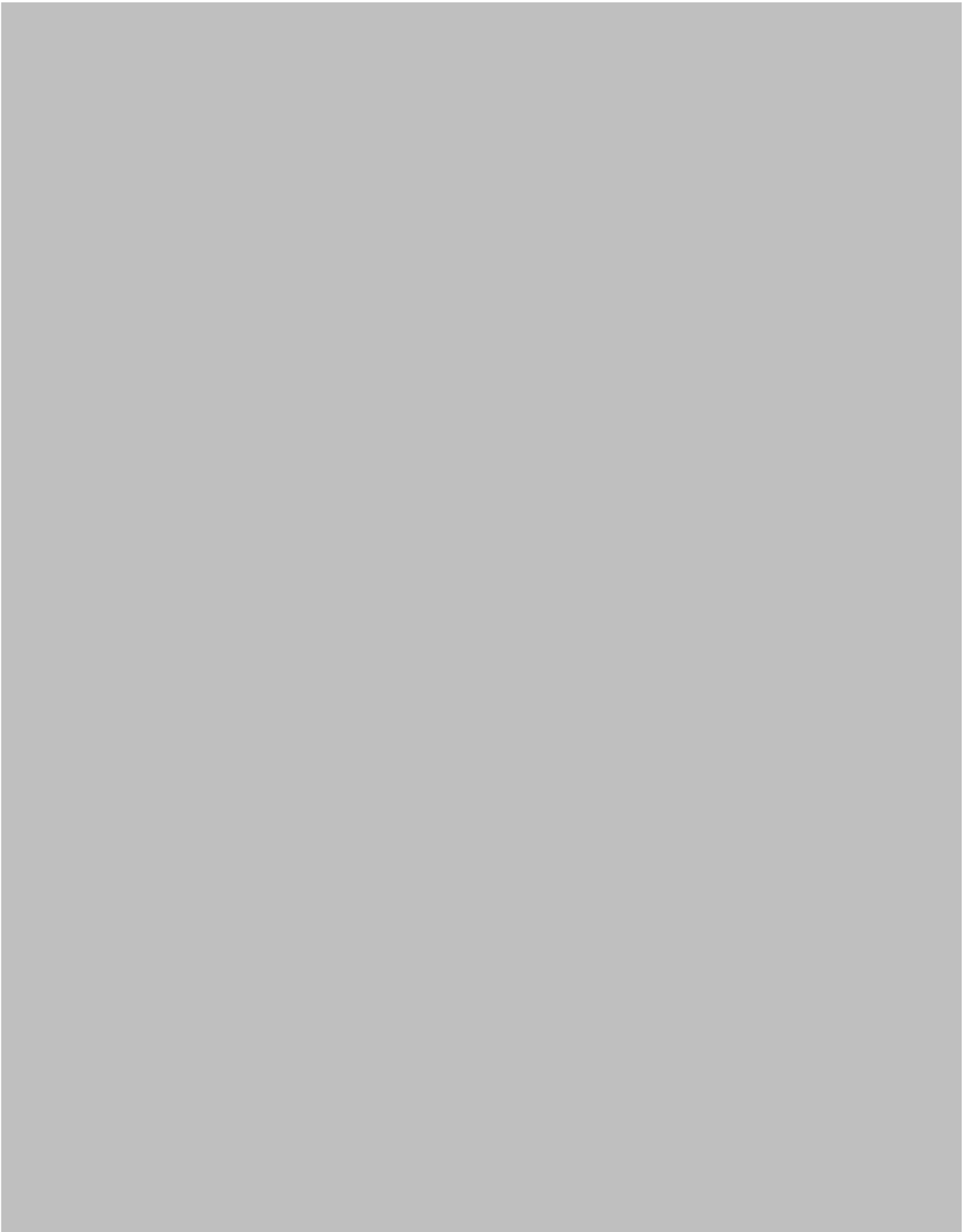
Q: Are the new docks that are being

built for D dock cement Docks?

A: No. They are wood.

Q: Wasn't there some talk about taking water directly from the sound, rather than the beach wells?

A: Yes, although there are advantages and disadvantages to both systems, the direct feed is an option that





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SCHEDULE OF EVENTS

September

2 Sat Board work session 10:30 am
HIC annual meet/Hat Island 2:00pm
 election of three Board members

3 Sun Fire Bunnies Pancake Breakfast
 9 Sat Elsie M load/run 7:30am
 Fire Drill 10:00am
 Fire Bunnies lunch 12:30 pm
 Fire Cmmissioners meet 1:30pm

11 Mon View Point articles due

October

7 Sat Elsie M load/run 7:30am
 Board work session 10:30 am
HIC monthly meet/Hat Island 2:00pm
 14 Sat Fire Drill 10:00am
 Fire Bunnies lunch 12:30 pm
 Fire Cmmissioners meet 1:30pm
 16 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

Holiday Ferry Schedule



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Day	Depart Everett	Arrive Hat	Depart Hat	Arrive Everett	Remarks
May 19	2006	through	Sept 5	2006	
Wed	8:00am	8:45am	9:00am	9:45am	
Wed	5:30pm	6:15pm	6:30pm	7:15pm	Labor Day
Fri	6:30pm	7:15pm	7:30pm	9:14pm	Holiday
Sat/Sun	9:00am	9:45am	10:00am	10:45am	runs will
Sat/Sun	11:00am	11:45am	4:00pm	4:45pm	be same as
Sat/Sun	5:00pm	5:45pm	6:00pm	6:45pm	Sunday
Sept 6	2006	through	Sept 26	2006	
Wed	8:00am	8:45am	9:00am	9:45am	
Wed	5:30pm	6:15pm	6:30pm	7:15pm	
Fri	5:30pm	6:15pm	6:30pm	7:15pm	
Sat/Sun	9:00am	9:45am	6:00pm	6:45pm	