



FROM THE BOARD PRESIDENT:

Ours is a community of volunteers. It has to be as we simply don't bring in enough money to pay people to cater our community functions, to help us assemble our new docks, to build play sets, to install and paint the fences in our marina, or to refurbish our tennis courts.

These are all important tasks, but the single most important volunteer task that you can take on is the leadership of the Island. It is also the most outwardly thankless and yet the most internally satisfying and fulfilling. We currently have a fantastic Board of Trustees. They each bring unique skills and strengths to the table, the most important of these being a genuine concern for the future of our Island Community, without personal agendas.

This fall George Alecci will step down from the Board after six years of service. He has served us well. We could always rely on George to have given each matter a lot of very careful thought. George has always been the calm voice of reason and logic in what was often chaos. He will be missed.

But he will be missed even more if someone does not step up to fill his shoes. If you have been serving on a committee for a while, now is the time to consider running for the Board. If you have a genuine concern for our community's future, the most important thing you can do is serve on the Board. Since we have done away with the work sessions that we use to have, the time commitment has been greatly reduced. We generally finish our board meetings in 90 minutes, because committees are doing a lot of the preliminary work.

This September 20th will be a critical community meeting. We will vote on two significant financial issues and we will elect at least one new Board member; that is if someone steps up to run. If you're interested please contact the office before Friday, August 15th. Potential Board members are given an opportunity to be introduced to the community and speak at the August 16th Board meeting.

Ginger Harmon
President
Hat Island Trustees



I think this watermelon is bigger than me

FROM THE ISLAND MANAGER

JULY 4TH - A WEEKEND OF RECORDS



Parade Organizer, Sandy Russo

What a weekend! Annually July 4th turns Hat Island into a tiny window on hometown American. You can certainly find bigger parades, bigger cookouts, and more activities in other locations, but you can't beat the enthusiasm and volunteer spirit of our Island Paradise.

Our thanks to Sandy Russo for organizing the parade and our very special thanks to the Hat Island Yacht and Golf Club and especially Judy Moore who stepped up and put together the cook out, games and prizes. Over 250 people showed up for lunch, nearly twice the estimates. Yacht club members raided every fridge on the Island to try to keep up with the crowds. Our thanks to every one of you who bore with us (and kept a great sense of humor) as club members scrambled to get everyone fed. We set rider records on the Holiday, there was record play on the golf course and we had a record turnout for the July 4th parade and picnic.

We learned a lot about putting on a function of this size. First, it takes a huge number of volunteers. There were probably 10 people selling tickets, cooking and serving lunch, and another three to five organizing the games.

Second it's hard to guess how many people will show up. We planned on about 150 and got over 250. The yacht club takes a big gamble for very little reward when they step up to host a community function like this.

Where am I going with this?

Oktoberfest will require a huge volunteer effort. While the Yacht Club has again stepped up to host the event, we'd certainly appreciate some non-yacht club volunteers to help set up, serve, clean up, bring supplies to the island, etc.

If you'd like to get involved and help out just call the office or drop us an e-mail and we'll put you on a list.



Pocahontas and her tribe took home top honors



Parade Runner Up, Yellow Brick Road

We're developing a renewed sense of community and we'd like to keep that ball rolling, will you help?

BOARD ELECTIONS FAST APPROACHING

As we mentioned in the last View Point and as Ginger wrote above, George Alecci will reach the end of his six year eligibility as a board member and can not run again and Ginger Harmon's current term expires this year and she must run again. So there

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are two board positions to be voted on this September. If you're interested in running please contact the office.

In order to be listed on the ballot the office must have been notified by noon, Friday, August 15th.

There is a candidate form available for download in the document library of our web site, or you can get one from the island office.

HIGH FUEL PRICES DRIVE FERRY RATES TO INCREASE In its July meeting the Board voted to increase the cost of an adult fare from \$6 to \$8. This increase will only impact adults. This will impact all adult riders, even those with pre-purchased tickets. There will be more to follow on how we will handle this. We will honor currently held tickets until they are depleted. New tickets will not be sold until after the WA UTC approves this change, see below.

The Hat Island ferry is a publicly regulated commercial ferry that falls under the control of the Washington State Utilities and Transportation Commission. This board must approve this rate increase, please see the public notice which appears below. This is also posted on our website and on the ferry.

PUBLIC NOTICE
July 30th, 2008

Hat Island Community Association has asked the Washington Utilities and Transportation Commission to approve an application for new rates as follows

FARES

Adult one way cash	Book of 20 tickets
\$8.00	\$140.00
Youth one way cash	Book of 20 tickets
\$4.00	\$70.00
Child/Pet one way cash	Book of 20 tickets
\$1.00	\$20.00

If approved, the new rates will become effective August 30th, 2008.

If you would like to comment on this filing or have questions about the rate making process, you can contact the Washington State Utilities and Transportation Commission at the following address:

Washington State Utilities and Transportation Commission
1300 S. Evergreen Park drive SW
Olympia WA 98504-4291
Phone 1-800-562-6150 Fax 1-360-644-4291
E-mail: comments@utc.wa.gov



Parade Runner up, Paradise Found

You may also make comments in person at the commissions open meeting at 9:30am on August 28th, 2008 at the above address.

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ELSIE M II TO HAVE A CREW

In its July meeting, on the recommendation of the vessel committee, the Board approved a Resolution that the Elsie M II will not operate without a deckhand. This will go into effect 10/1/2008. In the mean time the office will begin searching for a potential deck hand for the vessel.

WHAT DO WE GET FOR OUR TAX \$\$

The Board appointed a task force to investigate ways to perhaps either lower our county tax burden, or at least get some services for our dollars. In its first report this task force made two recommendations that the Board approved. Both are based on the political nature of our country.

1. The Board urges you to change your voting address to Hat Island. We have very few voters on the island, we have no political clout. If we want to be heard, or ever listened to, our elected officials need to hear from us. In this country that's done through the ballot box. Consider changing your legal residence to Hat Island.
2. Keep tabs on the County. If you make a request for some sort of county service, Sheriff, Animal Control, Book Mobile visit, and it is denied; make a note of it and let the office know. We need to develop a history of being denied services before we can make a case to the county to improve our services.

OKTOBERFEST

As surprising as it may seem summer is 2/3's over and its time to begin thinking about our second annual Oktoberfest. This year we're moving it to "The Commons" (picnic pavilion) to better handle the crowds and to have a dance floor for polkas. Mark your calendars for Saturday of Labor Day weekend.

The day begins with a German cookout; Nürnberger Bratwurst, Potato Salad and Gürken Salad, and of course Paulaner Oktoberfest Bier. Cost should be about \$6.00. Lunch will be served at the golf course just prior to the shotgun start of the "fun golf"

tournament. This tournament is open to everyone and is designed for all levels of golfers and it's a great place to meet your neighbors – you don't need to be a good golfer to play – its all for fun.

Following golf we'll tap the first keg at "The Commons" at 4:30. The band starts playing at 5 PM and dinner is served at 6:00 PM. Dinner will be Beef Rolladen (rolled up thin sliced beef with bacon and spices), Spätzle, (a Southern German special pasta with Gravy), Sauerkraut and Rot Kraut (Red Cabbage), as desert Apfelstrudel. Anticipated cost for Dinner is \$10.00.

Again this year we will have "Happy Hans" providing live German music and dinner will again be prepared by the executive chef from Lufthansa's flight training center. You couldn't get more authentic if you were in München (Munich). Again we've arranged a special ferry run to get you home on Saturday evening departing the Island at 9:00pm.

T-shirts are already available and on sale at the Ship's store at the Yacht club and you'll be able to pick up souvenir bier mugs with your first bier.



A Flamingo 4th took top honors in the Adult division

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We'll be looking for volunteers to help pick up and bring over time sensitive food items on Saturday morning as well as serving, bartending and of course set up and tear down. Contact the office if you want to help.

Remember - "Im Himmel gibt es kein Bier, darum trinken wir es hier"...[In Heaven there is no beer, that's why we drink it here!](#)

OUTDOOR FIRES AND BURN PERMITS

The annual burn ban is upon us and will no doubt last until mid fall. During a burn ban all outdoor fires are prohibited. When the ban is lifted all outdoor open fires still require a current burn permit. You can get one at the fire station on weekends or through Dave Fry at fralph46@hatisland.com

SPEED LIMITS- A REMINDER

5 MPH on Beaches and in the Marina Parking lot, 15 MPH every where else, ATV's are prohibited on the Golf Course, in the gravel pit area, and on other people's private properties.

A WORD ABOUT BEACHES. With the exception of the beach No, No, No; middle then outside between Division H and Division N, the beaches are all privately owned. You're walking and driving on someone's front yard. Generally beach front owners don't mind you walking, ATVing, running with your dog, even clam digging on the beach in front of their home. But when you let your dog (kids) run free, drive your ATV at high speeds, leave trash, make lots of noise, then they rightfully get a bit concerned. There are no easements, no restrictive covenants, no community rules that require private property owners to allow you to drive your ATV on their property. So by respecting their property *rights* you are protecting your *privilege* to use their property.



Please! Don't break!

GUESTS

Here's a reminder about some of the rules effecting guests:

1. No guest boats in the marina on the three holiday weekends of Memorial Day, July 4th and Labor Day.
2. Guests are prohibited from bring pets to the island, even on their own boat.
3. There are guest rates for Moorage, Marina Power, and Golf please ensure that your guests pay their way.
4. Property owners are responsible for the behavior and payments of their guests.

PETS ON THE FERRY

A number of people are pushing the limits on the ferry, as it were, testing the resolve of the new skippers. Here are the rules.. All pets must either be in a carrier or on a leash and muzzled as to prevent even the possibility of biting someone. A leash wrapped around the dog's snout is not an acceptable muzzle. All pets must ride on the upper amidships deck.

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INSTANT HOUSE

The Davis's at Lot G-64 got an instant house on July 15th and 16th as this house was barged over and trucked up to the home site. The barge arrived off shore around 5:00 and was beached by 5:30. By high tide at 6:07 they had constructed ramps and by 6:20 the house was on dry land. It took two trucks to power the house up the marina hill. The house made its way across the island and was at its lot by 9:00. Two hours later it was in its foundation. The next morning they jacked it up onto wooden cribs and drove the truck out from under the house. Chuck Bright will pour a foundation under the house and then Nickels Brothers House Movers will return and lower the house onto the foundation. A short photo essay follows.



1. House arrived at 5:15



2. Beach the barge



3. Any excuse for a party



4. Build a ramp ashore



5. Drive the house ashore



6. Its on Dry land at 6:20 pm



7. Two engines required to get up the hill



8. Up the marina Hill



9. Some tight turns along the way



10. Past the Fire Department



11. Arrival at home site with foundation pre-dug



12. In its foundation hole

NEW FERRY UPDATE

We had our USCG inspection on July 23rd there were some very minor issues to solve and the vessel should be in service very soon, hopefully by the time you get this. We may however soon be required to move where we load and unload. The area around the public boat launch in Everett (10th Street) has silted in badly over the past two years

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and we may not be able to dock the new ferry there. We are working with the port and may need to load and unload at the ferry's berth in the north marina. Parking would be to the north of the Everett Yacht Club. No decision has been made yet; watch for updates via e-mail.

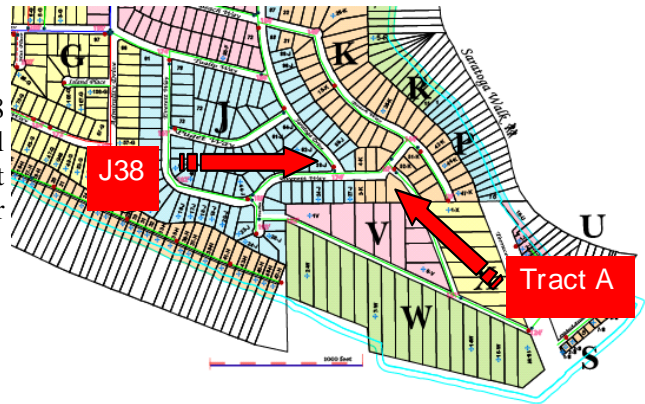
Based on votes received the Board has authorized the changing of the vessel's name from *Expeditions 3* to *Hat Express*. Given that it took nearly 5 months to get our original documentation from the Coast Guard, we're not holding our breath till official name change takes place. She'll remain *Expeditions 3* for the foreseeable future.

STRATEGIC PLANNING RETREAT

A reminder that the strategic Planning Committee has announced a two year update seminar to be held on Saturday, September 27th. During this meeting we will look at our plan as it now stands, make adjustments and react to changes in our assumptions. Its an excellent opportunity to get involved, join a committee or just have your two cents heard. Mark your calendars this date has changed a couple of times since it was previously announced.

PROPERTY FOR SALE

The Island had two properties available for purchase. Lot J38 and Tract A in Div K. J-38 has been sold. Tract A is still available. It is nearly an acre with a partial view, it has great potential. The proceeds from these sales will partially pay for the overhaul of the *Elsie M II*.



VEHICLE REGISTRATION

We've been working on this for 7 months now. In addition to not selling gas to an unregistered vehicle, we're going to start removing unregistered vehicles located on Community Property, ie the parking lot

GOLF

Our golf course is looking and playing very well this summer. The irrigation system is fully operational now. Our greens keeper, Scot Gresli, has spent a considerable amount of time repairing broken pipes throughout the golf course and hopefully the new pressure system will reduce that from happening. This is the first year that the women's tee boxes have had a sprinkler and green grass to hit from. Many thanks to Chuck, Wayne, Scot and Jim for the diligent effort on the irrigation system.

The golf course improvement group is planning another round of tree trimming this fall, and we will be needing a great deal of volunteer help to grind up the limbs. We will post the dates next month for the work to be done some time in September.

We have created cart control paths around each tee box. Please keep all golf carts off of the tee boxes and please use the cart paths. This is dramatically improving our tee box areas. Please don't drive across the womens tees, and this will keep us from needing to rope those off.

The July 4th weekend was huge for golfing on Hat Island. The weather was great and with the tournament, we had a record amount of golfers.

Be sure to sign in, we are actively looking for people who don't pay or don't sign in.

Hit em straight, the trees are in play
Loren Pawloski

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SUMMER EVENTS

Labor Day Weekend - **Special Ferry Schedule**

Friday

4:00 PM Special Ferry Run Departs Everett

6:30 PM Special Ferry Run Departs Everett

Saturday

12:00 Lunch at Golf Course – Open to all - Fee

1:00 PM Shot Gun Start of Fun Golf – Open to all - Fee

6:00 PM **OKTOBERFEST** – Open to all – Fee

9:00 PM Special Ferry Run Departs Hat Island

Monday – Ferry runs per Sunday schedule

MARINA; EMERGENCY DREDGING PERMIT

On Thursday July 17th we received county approval for emergency dredging of our marina entrance. That same day we sent out requests for bids to 5 dredging companies. We will receive bids by August 1st. We had hoped to be able to get by for another two years to combine this work with the main construction phase of the marina project, but the entrance has simply silted in too much to wait. *Holiday* has run aground twice in recent months.

Once the work starts it will take about two weeks. During that time there will be whole days that the marina entrance is blocked by a barge and a dredge. We will require that the contractor have the entrance open weekdays between 6 and 8 AM and again between 4 and 6 PM and not interfere with normal ferry operations. We realize that this will cause some inconvenience. They may choose to work at night, but we will not require that as it will be more expensive. This work will produce about 650 cubic yards of sandy, and salty tailings (enough to fill a box 30 feet square and 20 feet deep). This will be trucked up to the lower portion of the gravel pit for disposal.

WATER REPORT

We are expecting the new filtration media for our fresh water well filters to be delivered any day now and then we only need to install the chlorination pumps and we will have the filters back on line and we should also then achieve the new stricter EPA arsenic standards. Again, expect some discoloration in your water as we begin to chlorinate the system. The more remote your home, the longer that discoloration will take to flush out of the system.

Now, halfway through the year we have still produced more than 600,000 fewer gallons of water than during the same 6 months last year, a 50% reduction in water wasted through leaks. We have been able to dial back the frequency as well as length of time that we run our fresh water wells. This has resulted in a 16% reduction in the chloride (salt) content of the water that we produce. (The harder and longer that we run our fresh water wells the higher the salt content of the water produced).

Report of water pumped is on the following page.



Bill Townsend and Jeff and Sue Cushman take a break from their volunteer project of rehabilitating the tennis court. The Island provided the materials; they pressure washed, patched and painted the court – the perfect project. Thanks!

	Well 1	Well 2	Well 3	Well 5	Well 6	TOTAL	WELLS	RO	TOTAL	ALL	WATER
	Gallons	Gallons	Gallons	Gallons	Gallons	Gallons	Average Chloride	RO Gal-lons	Average Chloride	Total Water	Average Chloride
Jan	42,735	36,421	29,579	17,175	2,848	149,298	76	0	0	149,298	76
Feb	31,561	25,542	25,907	21,613	15,347	119,970	65	0	0	119,970	65
Mar	39,663	35,042	36,373	20,045	26,085	147,217	62	0	0	147,217	62
Apr	28,069	67,292	41,463	22,875	37,052	19,6751	74	61,495	220	258,246	109
May	25,930	47,620	34,365	31,258	27,700	166,873	62	80,721	160	247,594	93
June	30,717	31,493	32,716	18,129	27,129	140,184	56	183,135	160	323,319	104
Tot	188,675	243,410	200,403	131,644	156,161	920,293	66	325,351	182	1,245,644	77
%	20.5%	26.4%	21.8%	14.3%	17.0%	100%		15.4%		100%	

Minutes of Hat Island Board Meeting July 19, 2008

Meeting was called to order at 10:30am by President Ginger Harmon. Present were Scott Wilson, Bill Townsend, Loren Pawloski, Susan Dahl, Becki Snellenberg and George Alecci. Island Manager, Chuck Monson was not present.

The board approved minutes of the June Board meeting.

The board approved the Treasurer's report as presented by Susan Dahl.

Committee Reports:

VESSELS COMMITTEE – Scott Wilson presented the report for the Vessels committee.

New Ferry Status – Coast Guard inspection is scheduled for 7/23/08. If all goes well the goal is to have the Ferry in service 7/30/08. An inventory of all spare parts for the Expeditions III is in process.

Ferry Personnel Changes - We have hired a new skipper for Expeditions III. Rick Neal is a previous operator of Expeditions III so comes with a lot of experience with this vessel. It is anticipated that he will take over skipper duties once the Expeditions is in service. Greg will continue as back up skipper and winter skipper for the Elsie. Lloyd continues in his current role as primary skipper for the Elsie. Rick Neal will be groomed to take on a larger role as Port Captain overseeing all vessel related activity for the island.

Elsie M - All scheduled repairs up to date. An audit of expenses and status of those repairs will be received and reviewed by the Vessel Committee.

After much discussion, the Vessels committee requested that for safety reasons and to reduce HIC liabilities, the Board adopt a policy that all Elsie M runs include a deckhand onboard. (*The Board on 5/08 had authorized management to hire a deckhand for the Elsie*) The following Resolution was proposed:

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"It is the policy of the HIC that all Elsie M runs will operate with a deckhand onboard as of 10/1/08."

This proposal allows time for any further logistics of implementing this policy to be worked out by the Vessels committee prior to the requirement taking effect. George Alecci motioned that the Resolution be accepted and Susan Dahl seconded. The Resolution passed unanimously.

Sale of the Holiday – Now listed with Mermaid Yachts. At a \$75,000 asking price, we have received four nibbles. No solid offers yet.

Ferry Rate Increase - Due to increased fuel expenses and anticipated increased expense of running the new ferry, the Board needs to evaluate current and projected costs for ferry ridership. There are two issues to consider. The first is the % to which the community will subsidize the cost of running the ferry. That has historically averaged around 37%. Based on current estimates and increased costs, we estimate we are currently subsidizing ferry expenses (*on the Holiday*) at closer to 50%. Until we have 12 months of operation under our belts, we cannot anticipate what it will cost to run the new ferry. We do not have a policy in place as to what % the community will subsidize ferry ridership, just historical practice.

The second question is what actual dollar amount we need increase ferry fares to now and submit to the UTC as our base rate. We are behind in updating the UTC on our base rates and need to give them a number for their approval. Since we will not know long term what it will cost to run the new ferry it was determined that we should consider only current estimates of costs in making this decision. A \$2.00 increase (*to \$8.00 for adult fares only*) will bring us back in line with our historical subsidy percentages. Once we have more information on the long term costs of running the new ferry the board will reconsider if a policy regarding the % of community subsidy should be established as the guideline for ferry fares and if the actual fare at that time needs to be increased or decreased accordingly.

The following motion was made by Scott Wilson and seconded by George Alecci:

The HIC will submit to the UTC a base adult rate for ferry fares of \$8.00. Upon approval from the UTC this will become the new adult ferry rate. Rates for Youth, Children and Dogs will remain the same. Current ticket book holders can use their tickets until they are gone but new ticket books will not be sold until the new fare has been approved.

The motion was approved by Ginger Harmon, Scott Wilson, George Alecci, Bill Townsend, Susan Dahl and Becki Sneltenberg. Opposed by Loren Pawloski.

MAINTENANCE/EQUIPMENT: Scott Wilson reported that everything is on track. Anyone interested in the list of accomplishments and status of current projects can call the office and request it.

MARINA: Bill Townsend reported that plans for emergency dredging of the Marina are underway. There will be more information on this published in the viewpoint.

WATER: Scott Wilson reported that chlorine injections will start in August. Expect to see debris in your pipes for some time as a result. These are mineral deposits which will be breaking free from the pipes and cause no harm in spite of their appearance. You may also notice an increased odor as a result. How long this continues will depend on how much build up there is in the pipes, how often you are running your water and where you are located on the island. It could take as much as a year for all of this to work through the pipes. [There will be a notice from the Island Manager with details in advance via our communication network](#)

SAFETY - Susan Dahl reported for the Safety Committee. Dave Fry is continuing to research requirements to make Hat Island a Firewise community. We had a visit from Rich Dodd (sp?) from the Department of Natural Resources who will put together a summary of recommendations for us. The fact that the island does not have an evacuation plan in place in case of emergency was also discussed. This will be another issue for the committee to consider.

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GOLF – Loren Pawloski reported for the golf committee. The golf course irrigation system is now fully functional - Yeah!!! There continues to be a problem with golfers not paying their golf fees. The community is reminded that there is \$50 fine for not paying golf fees. If caught not paying the fee prior to playing, you will receive a bill from HIC for the fine.

STRATEGIC PLANNING – Becki Snellenberg announced that the date for the Strategic Planning meeting has again been rescheduled to **September 27th**.

Old Business

Report from Ad Hoc Tax committee - Charlotte Maulsby reported for the group. The committee reported that if we had more registered voters on Hat Island and a better documented paper trail of service requests from taxing districts, we could have more clout when it comes to requesting services, information, grants, etc. from these districts. The Board President will direct Chuck to ensure that we document all of our communication with taxing districts we pay into. She will also request that we publish an article in the Viewpoint requesting that any homeowners with experience requesting services from any taxing districts let the HIC know so that their communication can be documented as well. An article explaining how Hat Island owners can register their Hat Island address as their voting address will also be published.

New Business

Terrorism Insurance Rider - This was added to our insurance policy last year. Chuck has questioned whether or not it is a necessary expense. The board requested that a copy of the policy and this rider be sent to members to review and make a determination. Since a decision about whether or not to retain this rider needs to be made within the next couple of weeks, the board's decision will be made by email.

Community Input:

Charlotte Maulsby expressed her preference to see Community assessments increased rather than being faced with higher user fees.

Dan Rome presented a bill for marina charges he believes are in error. Ginger Harmon instructed him on the process to appeal those charges and have them corrected.

The meeting was adjourned at 1:25 and the Board went into Executive Session.

Respectfully Submitted,

Rebecca Snellenberg, Secretary



The Bookkeeper's Corner
July - August 2008

Hurrah! The new boat is in service. Please give a big hand (and a "Thanks" when you see them) to Loyd Robertson (our Elsie Skipper), Rick Neal (our new Hat Express Skipper), his wife Nicki, Greg Wickes and all of the deckhands, for pitching in and working hard to make this happen. Being on the receiving end of all the invoices for everything from washers to heat exchangers to sirens, I know there was a ton of work done to prepare the boat for the Coast Guard inspection. A "Thanks" also goes out to the students at the Everett Community College who volunteered and did clean the bilge! They regularly have chartered the Holiday for their ocean research classes over the years, and their help was surely appreciated.

When Linda Ebner became the Treasurer on the Board, she instituted a 10% reserve amount be put away for a rainy day. The finance committee asked for and got the Boards permission to approve a new way to save for emergencies. Now

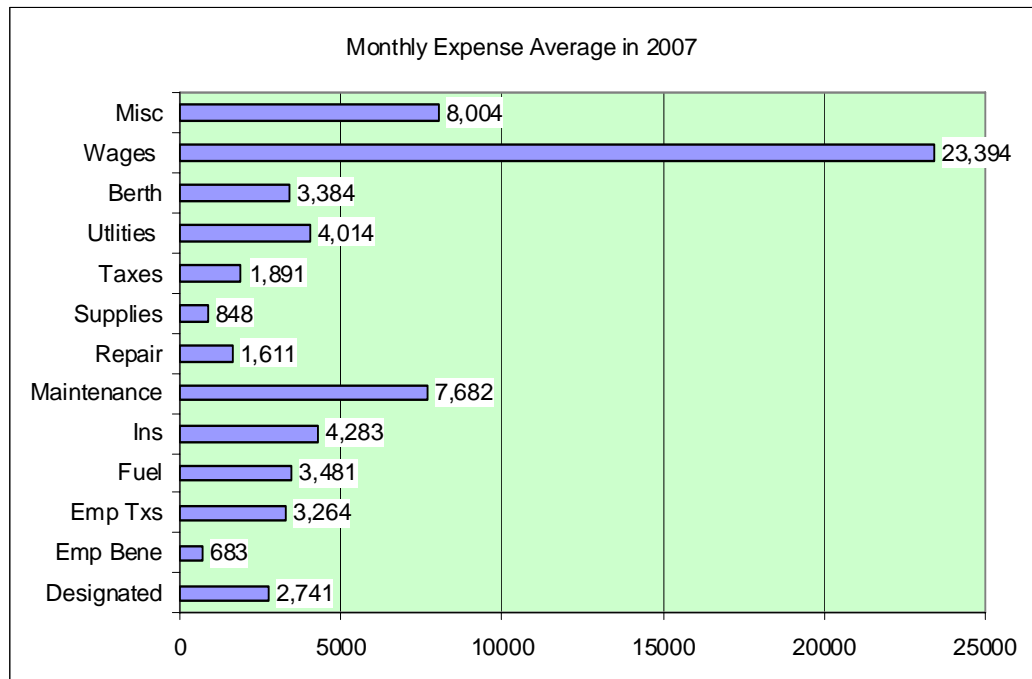
(Continued from page 12)

each year, the administration (read me) will, at the end of each September, review the costs for operating the Island for the previous 12 months. Using an average figure from this data, a three month emergency fund amount will be established, for wages, taxes, insurance, and berth. Any shortage in the current fund will be immediately funded by assessments that are received, up to 15%. See Chart A. Don't be misled by the huge "Misc" amount, this includes everything that doesn't fit nicely into the other categories. The 10% reserve fund was short about \$350 of that amount last month, so we now have \$160,000 set aside. It will get a new name – "Emergency Reserve".

The ballot being mailed out in August is an important one. I hope everyone will participate, as there will be some fundamental changes to the way money is handled on the Island. Maybe I can clarify some of the changes in the way that the Island is going to stash money away for a rainy day.

As you probably read in the minutes or elsewhere in the newsletter, the August ballot going out next month will include a vote on Board members and will also include a ballot to further change the way Hat Island saves its money. Right now \$84 of every annual assessment goes to a segregated fund "designated assessments" that is; the water system receives 25% of the receipts; marina 25%; vessels 25%; equipment 15%; operations 10%; and golf 5%. Below on the pie chart you can see that the Holiday and the Elsie have comprised 38% of the totals spent with designated money. Unfortunately, prior Boards did not have access to this kind of information, otherwise I'm sure would not have given just 12.5% of the funds to each of the vessels. This has created quite an imbalance in the amount available for separate departments. The vessel department is broke, and the water and marina department have perhaps been allotted too much money. What the financial committee has recommended is that we abolish the segregated account as it now stands, and instead take 15% of the total annual assessment (\$339.00) and transfer that money into first, the Emergency Reserve until the amount needed is reached. Then the monies will go into a fund called "Capital Reserve." This fund will be used ONLY for Capital improvements-new equipment, a new dock, a rebuild, or a new irrigation system for the marina; something that will become an asset to the Community. Unlike the "Designated Assessments" it will not be used to fund regular and capital operations. It will not be used to finance day to day operations. This seems like a plan.

Chart A



Notes:

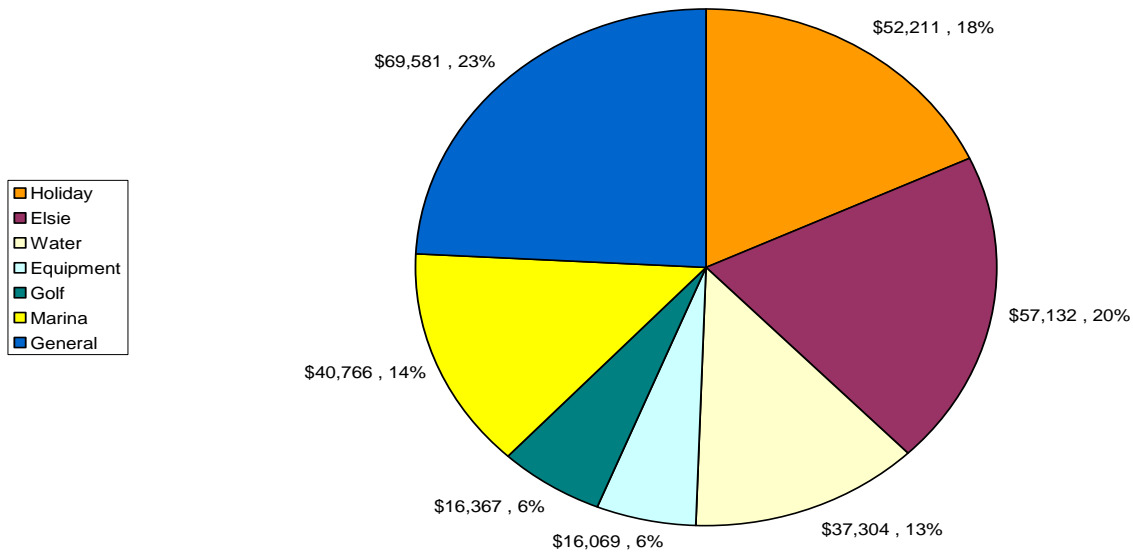
Gas usage by the Island is included in Utilities

Fuel represents only that fuel brought to the Island for sale and use by Community

Average total expenses for 2007 were \$65,279

Designated Expenses are only those expenses not capitalized

Total Designated Expenses from 2002 through 2007



Talk to ya later!

Your point of view

Letter to the editor July/August 2008

I agree that climbing on the bluffs is an accident begging to happen, but I also strongly feel that ATVs on the beach racing to get airborne on the sandy humps made by the tide pools is serious too. Especially in front of the houses, any ATV exceeding the speed limit of 5 mph (which is slightly faster than a walk) makes it difficult for people to enjoy the tranquility and safety of the beach. I stopped 3 drivers (wearing no helmets by the way) on Wednesday, July 2, who were cordial but had no idea there was a speed limit on the beach, much less a 5 MPH limit. Drivers also have no concept how slow 5mph is. After they agree to slow down to that speed they immediately race off at 15 or 20, slower than they were going but definitely not legal or safe. I am hoping the speed limits can be highlighted in the next Viewpoint and even posted at entry points to the beach and that lot numbers will be prominently displayed on ATV's. I would be personally grateful if drivers would slow down to 5 mph so my grandsons and others can play safely on the beach. Thanks so much for all you do to help everyone enjoy our beautiful island. Donna Lemke and family

Subject: Vessels and Transportation Committee

Ginger Harman, President, Hat Island Trustees

Dear Ginger:

I regret to inform you that I am resigning from the position as chairman of the "Vessels and Transportation Committee" for the following reasons.

1. While the Committee did some really good work on things on repair and replacement plans, the implementation of those plans fell apart and cost the Island way too much.
2. The Island manager requested that I stay away from the shipyard midway through the repair of the "Elsie M" leaving the planned work unsupervised from the committee's standpoint. The result was the planned work

(Continued from page 14)

did not get done and the cost was exorbitant.

3. After the purchase of the "Holiday" replacement there has been little or no involvement with the committee.

4. If the island manager is going to make all the decisions, there is no need for the committee.

The management of our Vessels and transportation equipment is no longer a small item, and I will not be involved with a system that is doomed to failure.

I am available if you would like to discuss any of these matters.

Sincerely,

Dennis McLeod

HAT ISLAND COMMUNITY BALANCE SHEET AS OF JUNE 2008

Assets

	YTD 2008	YTD 2007	Inc/Dec %
Cash & Cash Equivalents			
Total Cash on Hand - Checking	133,530.84	205,461.32	-54%
Other Cash & Cash Equivalents	457,978.42	903,716.36	-97%
Total Receivables	1,482,302.25	1,749,720.38	-18%
Deposits & Prepaids	50,757.09	43,752.20	14%
Fixed Assets (less depreciation)	2,439,280.62	1,817,666.67	25%
Other Assets	380,003.87 ***	-	100%
Total Assets	4,943,853.09	4,720,316.93	5%

Liabilities

	YTD 2008	YTD 2007	Inc/Dec %
Accounts Payable	23,168.32	1,868.92	92%
Taxes Payable	14.64	-	100%
Deferred Income	2,096,071.91	2,168,629.75	-3%
Total Liabilities	2,119,254.87	2,170,498.67	-2%

Equity

Owner Equity	2,824,598.22	2,549,818.26	10%
Total Liabilities and Equity	4,943,853.09	4,720,316.93	5%

***Note "other assets" includes "work in progress" of future assets.

**Income Statement
SUMMARY
For The 6 Periods Ending June 30th, 2008**

Unaudited

		Actual	Budget	Variance	% over/(under) Budget
Revenue:					
	Ferry	39,015.80	35,990.02	15,221.10	8.6%
	Elsie M II	26,460.44	39,274.98	(12,814.54)	-32.6%
	Water	46,408.82	43,549.97	2,858.85	6.6%
	Maintenance & Equipment	18,384.96	18,750.00	(365.04)	-1.9%
	Golf	58,050.04	63,799.97	(5,749.93)	-9.0%
	Marina	54,008.93	35,351.48	18,657.45	52.8%
	Roads	21,366.30	26,199.98	(4,833.68)	-18.4%
	Operations	151,966.64	158,307.50	(6,340.86)	-4.0%
	Revenue:	413,661.93	421,163.90	6,493.33	1.47%

Expenses					
	Ferry	(103,008.24)	(51,696.70)	(51,371.54)	99.5%
	Elsie M II	(27,727.19)	(35,955.21)	8,228.02	-22.9%
	Water	(40,197.81)	(47,247.66)	7,214.86	-5.7%
	Marina	(18,899.43)	(22,021.39)	3,121.96	-14.2%
	Maintenance & Equipment	(11,539.82)	(18,044.74)	6,504.92	-36.0%
	Golf	(28,774.24)	(46,055.84)	17,281.60	-37.5%
	Roads	(9,323.34)	(14,637.47)	5,314.13	-36.3%
	Operations	(138,004.69)	(157,595.68)	19,590.99	-12.4%
	Expenses	(377,309.75)	(388,194.69)	51,813.60	-9%

Operating Income:	38,352.18	32,969.21	58,446.95	16.3%
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Less Depreciation:					
	Ferry Depreciation	(15,463.20)	(3,032.70)	(12,430.50)	409.9%
	Elsie M Depreciation	(16,561.52)	(7,139.52)	(9,422.00)	132.0%
	Water Depreciation	(20,968.56)	(20,968.68)	0.12	0.0%
	Equipment Depreciation	(939.48)	(939.48)	-	0.0%
	Golf Depreciation	(5,065.67)	(4,672.37)	(393.30)	8.4%
	Marina/Picnic Depreciation	(19,513.56)	(19,513.56)	-	0.0%
	Roads/Bulkhead Depreciation	(11,920.02)	(11,920.02)	-	0.0%
	Office/Blg/Grounds Depreciation	(515.52)	(158.34)	(357.18)	225.6%
	Less Depreciation	(98,947.48)	(68,344.62)	(22,602.86)	33.1%

Special Assessments:					
	Designated Sp Assess Income	39,532.50	39,770.04		
	Designated Sp Assess Expenses	(4,803.24)	(14,500.00)		
	R.O. System Sp Assess Income	33,183.77	35,000.00		
	R.O. System Sp Assess Expense	(1,154.88)	-		
	Marina Improvement Spec Assess Income	100,547.88	99,461.22		
	Marina Improvement Spec Assess Expense	(266.75)	0.00		
	Special Assessment Dir/H Expenses	-	-		
	Passenger Ferry Special Assessment	91,647.30	91,902.30		
	Net Special Assessments Income	258,686.58	251,633.56	7,053.02	

Earnings (loss) before income taxes	206,091.28	216,258.15		
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Capitalizations for 2008:		
Passenger Ferry Purchase	0.00	
Elsie M II	0.00	
Water	25,453.94	
Maint/Equipment	0.00	
Golf	0.00	
Marina	354,549.93	
Roads	0.00	
Operations	0.00	
Total Capitalization	380,003.87	

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If you have any questions contact
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Matt Surowiecki @ Steeler 206 725 2500



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Take Note



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SCHEDULE OF EVENTS

August

- 2 Sat Elsie M load/run 7:30am
- 9 Sat Fire Drill 10:00am
 - Fire Bunnies lunch 12:30 pm
 - Fire Cmmissioners meet 1:30pm
- 16 Sat Board /HIC monthly 10:30 amYC
- 25 Mon View Point articles due
- 29 Fri Special ferry run
- 30 Sat **Oktoberfest**
- 31 Sun Fire Bunnies pancake breakfast

Note special ferry runs

September

- 6 Sat Elsie M load/run 7:30am
- 13 Sat Fire Drill 10:00am
 - Fire Bunnies lunch 12:30 pm
 - Fire Cmmissioners meet 1:30pm
- 20 Sat HIC Annual meeting 10:30am
- 27 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

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Holiday Ferry Schedule



Day	Depart Everett	Arrive Hat	Depart Hat	Arrive Everett	Remarks
May 14	2008	through	Sept 2	2008	
Wed	8:00am	8:45am	9:00am	9:45am	
Wed	5:30pm	6:15pm	6:30pm	7:15pm	
Fri	6:30pm	7:15pm	7:30pm	8:15pm	
Sat	9:00am	9:45am	10:00am	10:45am	
Sat	11:00am	11:45am	4:00pm	4:45pm	
Sat	5:00pm	5:45pm	6:00pm	6:45pm	
Sun	9:00am	9:45am	10:00am	10:45am	
Sun	11:00am	11:45am	4:00pm	4:45pm	
Sun	5:00pm	5:45pm	6:00pm	6:45pm	
Labor Day	weekend	special	and extra	round	trips
Friday	4:00pm	4:45pm	5:15pm	6:00pm	
Friday	6:30pm	7:15pm	7:30pm	8:15pm	
Saturday	No 6:00pm	run from H	9:00pm	9:45pm	
Sunday	and	Monday	Normal	runs	