



Official Publication of the Hat Island Community

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[View Point Archives](#)



Report from the manager

Thank You

I would like to thank Liz Bruegeman, Grace Stenland and Murial Place for their help in getting the yearly billing ready for mailing. I would also like to thank Victor DeLeon for helping me read the water meters.

A special thank you goes to Ken Baxter. He is the board member who is responsible for the vessels. Mr. Baxter donates countless hours to help keep the vessels operating and maintained.

Harbor Master Position

Barbara Conwell will not be returning as Harbor Master this spring.

Thanks for doing a good job.

Anyone interested in applying for this position is requested to contact the office for more information.

Community insurance costs rising

The community insurance costs rose from \$17,920.00 in 2001 to \$20,735.00 for 2002, even though we have had no claims. We had SAFCO refuse to rewrite our bumbershoot coverage. We do have another company that will pick up the coverage. Please see Sharon Thompsons explanation of why the increase.

RO Update

The first beach well has been drilled and the shoe has been cut. We did not run into any fresh water while drilling. The soil samples are being evaluated and the screen size can be determined from that evaluation. The drillers will be back on February 25th to set the screens and conduct a 48-hour pump test. This test will cover a period during a minus 1.6 foot tide. The second well will be drilled upon completion of the pump test.

Division N

On February 13th, Division N had a slide blocking access. It is estimated that 350 to 400 cubic yards of soil are on the road and there is another 600 to 700 yards still to come down.

Access road update

The Washington Department of Fish and Wildlife took a tour of the washed out bulkhead by boat. The inspector has requested that we fill out a JARPA and get it to her as soon as possible. She will expedite this permit process.

Ken Baxter is looking for a place in Everett to load ecology blocks to help save money. If we load from a Port of Everett dock we will have to use longshoreman to load the landing craft.

DISCLAIMER

John Odgers, a property owner, mailed out a ballot issue to the property owners of Hat Island Community. Mr. Odgers spent his own time and money creating and mailing the ballot. The Board of Trustees did not authorize this ballot issue and NO community funds were used.

Note: There is a procedure in Article 5 of the by laws for property owners to a call special meeting.

Property Owners Schedule of Events for 2002

March 8 & 9 Everett Yacht Club Cruise to Hat Island

*April 27 Hat Island Clean Up Day

July 11 Suds & Stokes Golf Tournament

August 9 C.W. Bright Golf Tournament

Island cleanup day

*On Saturday, April 27th there will be two dumpsters at the marina for trash. Refrigerators and batteries will not be accepted. Trash from the roadways and beaches and from your lot or home is welcome. This is a good way to clean up and get rid of things too large, heavy or messy to be hauled off the island by private boat or the ferry. This service is provided by HIC and is "free".

Special meeting

The March 13, 2002 Board meeting at the Everett Elks, will be a special meeting to count and report on a ballot that you will be receiving shortly. This ballot is to increase the annual assessment. Please vote YES.

HIC BOARD MEETING MINUTES

Call to Order: The regular monthly meeting was held on Wednesday, February 13th, 2002 at the Everett Elks. Board President Larry Petersen called the meeting to order at 7:07 p.m. All Board members were present.

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

Treasurer's report: Linda Ebner read the Treasurers report. The report was accepted as presented.

She also reported the results to the straw pole from last months View Point. These results were 28 yes, 15 no on the personnel pay increase, 22 yes, 21 no on the Wednesday Holiday, and 8 yes 1 maybe and 35 no on the golf course.

Golf: Larry Bender related his thoughts the about the need for repairs of green #4. In view of the straw pole, he thought this could be done for less than the amount we previously suggested and would look into alternative costs and methods.

Larry Bangerter, Lot E-25 requested permission to clear a spot near the 8th lady's tee for a commemorative bench for, Rod Bangerter and Bob LaLone, who spent a lot of time working on the golf course in their time. Permission was given contingent on reviewing location and content with the greenskeeper.

Vessels: Ken Baxter reported that there were two possible buyers for the Elsie M, but had not heard back from them as yet. He also stated that some repairs were made to the Elsie M so that it is functional. He said that the interest was probably due to the drop in the price to \$15,000, which did not take into consideration the new repair costs.

The Holiday is getting one engine overhauled. This was delayed due to damage to the parts that were delivered. Meanwhile, it will run on one engine. The insurance survey was received and he would get most of the work finished before submitting the survey to the insurance company in hope of keeping those costs down.

The Elsie M II is still being worked on between being used.

Larry Petersen commended Ken for all of the work he has done on our vessels.

Maintenance/Equipment: Bob Cook informed us of a slide that occurred on the Division N road. The slide was about 300 yards of material on the road at an estimated cost of \$2,000 that the Division N property owners will pay. This is an area that has been watched for some time and

care will be taken to not endanger workers during the cleanup.

Marina: Charlotte Maulsby reported that work was still under way to get the permit to dredge the marina. Meanwhile we are looking for an affordable solution to the breakwater. The bundled logs used by the Navy will not work as we were told that they require frequent maintenance. Charlotte requested that if anyone has any information about a possible breakwater, please contact her. Her report also included the news that Barb Conwell will not be working as the Harbormaster this next year. Skip will be looking for a replacement.

Water: Larry Petersen announced that drilling for the well for the new RO system is in progress. So far this is proceeding without problems. The building design was also received. There is still some discussion as to whether the storage space is adequate or if the building size should be increased. One change made was the doors, which are now six foot steel doors that will reduce noise significantly.

Old Business: Larry Petersen reported that we now have the approval to remove 16 old vehicles from the Island.

A lengthy discussion was held regarding a mailing made by Bill Odgers, Lot D-xx regarding Division H road/easement work. Larry Petersen first made it clear that this was not a Hat Island Board solicited ballot. This was a mailing done and funded by Mr. Odgers personally. In answer to questions presented by property owners, Mr. Odgers answered that he obtained the list of property owners and their address while on the Board and he had a stamp made for the return address on the envelope. It was noted that the names and addresses are available to anyone at a cost from either the county or the community. Larry informed everyone that this mailing did not follow procedures outlined in the By-Laws so therefore is not a legal ballot.

Much of this discussion surrounded a long-standing issue of violations sited on the easement along the beach accessing Sunset Park and Division H. In an effort to keep the community informed, there has been confusion created as to what will be done to correct these violations. Every option considered by the Board has been published. Many solutions have been investigated including permitting the easement and rebuilding the bulkhead to even re-directing the road to eliminate the beach portion of the easement entirely. These have been very costly proposals for a solution. All of this has gone on over a period or nearly two years with many letters back and forth between jurisdictions overseeing this matter and the community. Most of this correspondence has also been published. In this time, the county and other authorities have come to realize that these costly solutions are just not feasible for our community and are working with us to come up with an affordable option. They have also granted a grandfather exemption to the permit requirements for the easement.

In a joint cooperative effort between the Board and Division H property owners over the past several months, a solution has been proposed and accepted, in theory, by the jurisdictions that will cost under \$30,000. Of this, the Division H property owners have already paid nearly \$9,000 for the engineering leaving the balance of about \$20,000 to complete the repairs. The Board and the Division H property owners are now discussing the possibility of additional financial responsibility to be borne by the Division H owners so that the costs to the Community will be under \$10,000. If an agreement is not reached and the repairs to the Community will exceed \$10,000, a vote will be presented to the Community as required by Article V, Section 3. These repairs are only to a 150-foot stretch of easement that effects the access to Sunset Park and Division H and is entirely on Community property. This section is washing out and will make vehicle access to any of the beach impossible if not resolved soon. This solution has the potential to resolve the violations in the Sunset Park area with only minor fines to the Community.

Some of the property owners attending the meeting were under the impression that the work to be performed was going to be the work suggested in an earlier View Point that quoted a cost of \$500,000. This will not happen, nor will any work that costs in excess of \$10,000 without a vote of approval as required.

New Business: Larry Petersen presented a draft for a ballot to increase the regular assessment. This draft was approved and will be mailed to property owners for vote at the March 13th meeting.

The meeting was adjourned at 9:45 p.m.

Respectfully submitted,
Merrill Balanag, Secretary

Your Point of View

Phony "ballot"

Hat Island Board of Trustees:

I am returning the so called "ballot" that I received Jan. 26, 2002.

I can not in good conscience return it without comment.

I have worked in business for 40 years, for the Hat Island Yacht Club, the Hat Island Community, and other organizations and this is by far the most unprofessional ballot I have ever seen.

It is filled with incorrect and misleading information.

This phony "ballot" could easily be construed as fraud and should not be used by the Board in any manner. In fact, the alleged "ballot" should be denounced by the Board publicly, since it does not comply with the Community Bylaws (What on earth is happening to Hat Island?).

I would sincerely hope that some of you on the Board are embarrassed – I know that I would be.

Sincerely,

Richard Pouria

Thank You, Staff and Board

Thank you to our paid staff and the Board Members, past and present for their commitment, dedication and stewardship of our island. I have been a lot owner for 11 years, we built our cabin 5 years ago and come out to the island about once a month. I am a boat owner and we rarely use the Holiday but our guests do. I have been the chief executive of a public agency for 6 years and know something about budgets, management and the give and take necessary to address the complex issues facing our board and staff. In that light, Skip and the staff received my highest commendations for fulfilling their mission on-time, within budget, and to the quality that we need. Those patient, even-tempered, and wise board members continue to be excellent stewards of our island. We have given them little to work with, give them little feedback and continue to raise the bar of expectations.

Also, special thanks to those "quiet givers" who stay in the background but who quietly come forward when the real work has to be done, by giving their time, sweat, and even money. They are there when disaster strikes and when the times get tough.

If you are new to the island and wonder what is really going on, go talk to the staff-our frontline warriors who are in the trenches and know the issues. Like in other areas of disagreement, beware of the those who only complain but do not offer their time or energy to make it right, who offer only problems but no solutions, and who offer simple solutions to complex problems; because they are often wrong.

Is the island operations perfect? No. Is there room for improvement? Yes! But when you think about Hat Island, do not forget the important third word in that title: Community. We are the Hat Island Community where not one of us is smarter than all of us working together and where nothing good was ever achieved without enthusiasm.

--- John Gray, F-33

Hello from Chicago,

As you most likely know, I have moved to Chicago, Illinois, continuing my employment with the Boeing World Headquarters. As this may be an excellent opportunity for me, it is still not the beautiful North West. I shall be in Seattle from time to time and will stop by the Island as often as possible.

Mila is holding down the fort in Kent with all the animals, as well a new dog that is a little more barkless, but not as cute as Princess. It is a Pug, so beauty may be in the eyes of the beholder.

Given that I have had some association with the island for the last 39 years, I am always interested in the day to day happenings. The ViewPoint newsletter does a fine job of doing just that. Please apply my new address to the distribution of the newsletter. Should you at some

time chose not mail out the newsletter as it is on the Hat Island WEB site, which is among the best, and I have seen thousands of them as owner of some of Boeing's WEB sites, I can retrieve the ViewPoint from that site.

Speaking of the site, I read Charlie Pancerzewski's letter on the Island accounting practices. I am strongly leaning towards agreeing with him.

When we look at financial reports, we have a tendency to view them relative to our individual financial experience. Most people are wage earners and look to see numbers as expense/revenue accounting. Some are business oriented and may look more toward accrual accounting and upper general ledger allocation. Others may only want to see the bottom line, retained earnings and profit picture. Then there are those who are budget allocation accountants and only look to fill the budgets with money from any source.

This would be municipal, state or federal accounting. Hat Island is some where in the middle of all of this. I guess that is a rock and a hard place. Even though I agree with Charlie, I don't have any real viable suggestions to solve the dilemma. What I do trust is that the staff of Hat Island is well aware of the options in how to present the Island's accounting information, but can only slice and dice it so many ways trying to keep every one happy. I

think that the basic philosophy of revenue collection is correct by charging users first for services rendered and the community as a whole in regard to the larger picture. This is not always going to fair and balanced in application, but close does count here.

Keep up the good work.

Jim Waak

5800 East Lake Dr. #630

Lisle, IL 60532

From: Sharon Thompson

To: 'hioffice@hatisland.com'

Sent: Monday, February 04, 2002 1:45 PM

Subject: Current General Insurance Market

As we discussed, I just wanted to pass along a note that includes some observations on the present insurance market, where most renewals are coming in with large increased premiums. None of it helps a bit with the budget, but it has helped me personally to make some sense of the current insurance market:

Most insurance companies were on shaky ground before Sept. 11, with their profits dwindling due to a number of factors, but primarily under-pricing for years, and investment losses. While insurance companies are regulated so they keep a portion of all premiums available for claims, they also invest the money. When the stock market falls, so do their profits. Even before Sept. 11, I had notices on my desk weekly, and sometimes daily, of another insurance company that was in trouble or going out of business, & we were told to move our insureds out of that insurer.

Couple this with the Sept. 11 attacks, the largest single insured event in history, & it spells trouble. Some of the estimates I have seen range from \$50-\$100 billion in insurance dollars for Sept. 11 alone, in an industry that may have anywhere from \$350-\$500 billion in surplus. Most of the dollar impact fell to insurance companies - Workers Compensation, Legal Liability, Life & Health Insurance, Aviation Insurance, and the property damage - buildings, contents, & business income - you name it - insurance was involved in some way. Are most of the insurers still in business? Yes. Will they be if they do not increase their surplus quickly to prepare for future claims? Maybe not.

Then there are things like Enron - the last I heard is that insurers are facing total losses of about \$6.1 billion from exposure to Enron, which includes loan, bond, and contract exposures. For example, Safeco's pre-tax operating income is reportedly decreasing by about \$20 million as a result of surety bonds issued to Enron. Then I suppose we'll see some significant Directors & Officers Liability claims coming shortly too. Who knows where that will go.

Also, insurance companies buy reinsurance. Reinsurance companies insure insurance companies. Any catastrophe losses anywhere in the world, from things like the above, to floods, hurricanes, earthquakes, & now terrorism - things we call "CAT" (for catastrophe) losses, involve reinsurers. Most reinsurance treaties were up for renewal January 1. When the cost of reinsurance

increases, the insurance companies pass that expense along to consumers. That's how a hurricane in Hawaii affects the cost of your homeowners insurance in Washington state. I wish I thought we have seen the worst of it, but this may only be the beginning. In a nutshell, insurance is more expensive now than ever and we do not have much assurance that this is a short term situation. So I guess that is my current "state of the union" address for the insurance industry. The only good news is that we and all of us will see the other side of this thing, but in the interim, we may just have to "hold on" for now.

Please don't hesitate to call with any questions or comments,

Sharon L. Thompson, CIC

Account Manager

Acordia Northwest, Inc.

520 Pike St.

Seattle, WA 98101

Subject: H Division Road

Dear Hat Island Lot Owners,

Most of us have received a letter from Bill Odgers about the road leading to H Division. Bill's letter leaves a few unanswered questions that the Board of Trustees may want to address. I have been involved in this process through several months, and though I do not speak for the Board as a whole, I can provide some information, as I understand it.

I first became aware of the problem of the H Division road when I read a letter from the County informing the Community as a whole, as well as

a few individual property owners, that daily fines were about to be levied because of grading violations, the lack of a shoreline permit, and a number of other sins. Several of us met with the County to try to understand the extent of the Community's exposure. Based on that first meeting, it looked pretty serious.

We tried then to find out how much it was going to cost to satisfy the County sufficiently that we would no longer be facing any legal action.

It looked at that time as though it would be VERY expensive, in the neighborhood of \$500,000. We had at least two meetings with H Division lot owners and discussed what we had found.

The Board spent an unproductive few months until some of the H Division property owners took the initiative to hire an engineering firm known to be trusted by the County regulators. This firm designed a simple repair for the bulkhead protecting the road, particularly where it makes a sharp left turn toward H Division. They obtained County approval of the repair, and the Board is now involved in trying to get it accomplished.

The repair only affects that portion of the road at the hairpin turn and about 150' from there towards H Division. This portion of the road belongs to the Community.

This repair is not cheap or easy, but it is far less expensive than what we were originally facing. It will preserve access, and we expect that it will be a permanent fix. It will be done using Community funds with H Division property owners doing as much of the work as they can.

For the future, I believe we should try to make an agreement with H Division about maintenance of their road. I have spoken to some who would be willing to agree to accept responsibility for future maintenance in the same way that N Division is responsible for their road. If this sort of agreement can be made and formalized, it would lay this controversy to rest permanently. It would be a wonderful thing for the Community not to have to continue this long-running, bitter argument.

--- Robert Cook

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