



## Official Publication of the Hat Island Community

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3616 Colby Ave, PMB 335, Everett WA 98201

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### Report from the manager

#### Thank You

I would like to thank Dan and Kaye Rome, Murial Place, and Grace Stendlund for getting the quarterly billing ready for mailing.

#### Special Assessment Rollover Ballot

The community is sending out the ballot to rollover the \$84.00 Special Assessment. Please remember to sign and print your name and put your lot number on the back of the blue envelope. If we do not know who you are we can not count your vote. For your vote to count all monies owed the community must be current. This includes assessments, special assessment, RO assessment and past due invoices.

#### RO Project Costs

For the information of property owners the following is the estimated and actual cost for the RO project. These figures have been audited by our accountant.

	Estimated	Actual
Preliminary Engineering Report	\$12,000.00	\$14,500.00
Design Engineering	\$44,700.00	\$89,359.87
Bid Documentation Preparation	\$10,000.00	\$14,000.00
Environmental Studies	\$6,000.00	\$5,000.00
Sales Tax	\$51,000.00	\$45,550.49
Audit Costs	\$5,000.00	\$3,000.00
Construction Inspection	\$46,000.00	\$11,463.36
Start up Costs	0.00	\$980.10
Contingency	\$72,700.00	\$14,176.31
Construction	\$562,000.00	\$615,316.86
Total	\$809,400.00	\$813,346.99

#### Status of the State Revolving Fund Loan for RO Project

The total draws taken on the loan were \$496,237.82. To date we have paid \$16,847.92 in interest payments and \$96,237.82 in principal payments. Our outstanding balance is \$400,000.00 on the loan. The interest rate on the loan is 3.5%.

#### Liens

By the time property owners receive this paper we will have filed 31 liens against the property owners who owe the community assessments. The office is now working on the paperwork for the property owners who owe the community on the RO assessment.

#### HIC BOARD MEETING MINUTES

Call to Order: The regular monthly meeting was held on Wednesday, October 8th, 2003 at the

Everett Elks. Board Vice-President Ken Baxter called the meeting to order at 7:00 p.m. All Board members were present except Larry Petersen and George Alecci.

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

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

Golf: Linda Ebner expressed some of her reasons for accepting the position responsible for golf. One was the desire to improve the women's tees. She also planned to have Shawn change the hole positions more often. She plans to give support to the already fine work being done to make the course even better.

Vessels: Ken Baxter stated that the vessels were working fine. He reported that the current balance owing on the Elsie M II is \$62,872.00 to clear up any misunderstanding as to whether it was paid for or not. He also revisited the results of the Coast Guard inspection of the Holiday, which found nothing of substance to be corrected. All work has been completed.

Maintenance/Equipment: Ken Baxter reported for George Alecci that the community purchased a transmission jack and Roger had pulled the dump truck transmission. At the time of the meeting he was waiting for parts.

Marina: Stanley Krohn related that Roger was installing the ladders on the docks and that we were still looking for a barge for a breakwater. He also stated that he was reviewing files on the marina on the status of the dredge and other matters and would be more up to date by the next meeting. A question was asked as to whether a barge would work as a breakwater.

It was stated that if it is large enough, positioned right and weighted down it would do well. It was also asked if there would be power for bilge pumps. The question was noted for future investigation.

Water: Melody Smith noted that a leak in the community lines in Division N was found and repaired. There was also a leak found in the piping from the RO Building to the top of the hill. This is covered by warranty and will be fixed the following weekend.

There were questions raised prior to the meeting about the water rates under the new RO System. Melody stated that now that the quarterly billings had been prepared, we should be able to review our costs per gallon. There will be more information next month.

Old Business: Merrill Balanag reported that one bid had been received for costs to repair the beach access road to Division H. This bid is from Jesse Allen Excavating & Construction. Based on Skips estimate of 660 lineal feet of block and the remaining 300 lineal feet in piling, the costs from Jesse Allen totals about \$338,889.40 plus permit and study costs. We are also getting bids from Tony Franz and American Construction. Once the cost is established, a vote will be presented to the community.

Linda Ebner announced that the vote to renew the \$84.00 per lot per year Special Assessment would be mailed out immediately. She noted that the only change was that it was for only six years, instead of eight years and that 5% each was moved from water and operations to equipment and golf. Vessels and marina remained the same. This left the percentages at 25% each to vessels and marina, 20% to water, 15% to operations, 10% to equipment and 5% to golf. The vote will be counted at the November meeting.

New Business: There was no new business.

Announcements: At the Board work session held on Saturday, October 4th, the Board elected officers and assigned positions of responsibility. They are as follows:

Larry Petersen – President and Personnel

Ken Baxter – Vice President and Vessels

Merrill Balanag – Secretary

Linda Ebner – Treasurer and Golf

George Alecci – Maintenance

Melody Smith – Water

Stanley Krohn – Marina

A big "Thank You" goes out to Bob Cook and Charlotte Maulsby for their service to the Community as the outgoing board members.

The meeting was adjourned at 7:40 p.m.

Respectfully submitted,  
Merrill Balanag, Secretary

## Your point of view

### LETTER TO THE EDITOR:

In response to a letter from Mr. Odgers about the H division road I think some misconceptions should be corrected. First of all the length of the road in question is not 2000 feet it is about 1300 feet. This can make a very big difference when cost per foot is considered. The next issue I have with this letter is the N division agreement came 25 years after H division was started and it is the only such agreement a plat has with the Hat Island Association. One agreement does not set a precedent.

\$200,000 spent on H division? I would like to know where Mr. Odgers came up with that number. People have tried to come up with accurate estimates on moneys spent on the H division road and slide removal (both H division and non H division people) and all the estimates I saw were much lower than that. Only estimates can be done because of the Islands antiquated and inefficient accounting procedures but that is an other issue. Perhaps when the H division road repair is started we can utilize those useless breakwater tanks stored in the gravel pit (Fisheries probably would not like that).

I would hope that the Hat Island Association would at least have the decency and common sense to replace some of the loose blocks and rocks into the larger gaps along the H division road before this winter. I believe this is legal under the "emergency" wavier. This would hopefully protect the road from normal tides and winds (and we can pray for low winds during high tides).

The H division road debate has been around for many years and every time it has been proven over and over that it is the Association's responsibility to maintain it and keep it open. It is way past time to move on and get it repaired so it will last a long time and other issues can be addressed.

Sincerely,  
Bill McDougall H-16

When is the Board going to take the penalty charges off the water rates?

I want to know why there is still a punitive rate if we now have enough water to meet our needs. We were convinced if we supported the building of a new R.O. system we would have an adequate supply of fresh water. The R.O. system is finished and at a board meeting this summer, I was told that we now had adequate water to meet our needs.

I remember a few holiday weekends when there was a high probability that the whole island would run out of water. The Board started using a punitive rate to force islanders to conserve water. In the past I feel the rate was fair.

I talked with Board members and the island manager this past month and asked when the penalty water rate would be removed. I was told that they were waiting to see what the actual cost of running the water system would be and then they would consider changing the rates. The Engineering firm, Gray and Osborn in the original feasibility study estimated the cost at ½ cent per gallon for the water from the R.O. system and ¼ cent per gallon for the water from the wells. Even if they charged a flat fee of ½ cent per gallon it should more than cover the cost.

When the Hat Island consumers are charged 6 cents or 10 cents per gallon for their water that is twelve to twenty times more than the actual cost.

We have been told that our rate is based on a monthly charge, but did you know that the water meters were not read every month this summer? Even when the meter readings were taken, the office didn't calculate your water usage until the end of the quarter. In fact you could have had a leak and not even know it for three months.

I believe in paying for my fair share, but the escalating penalty charges are unfair. The reason we had the punitive rate in the past no longer exists. No one should have been charged 6 cents or 10 cents a gallon for water this past summer. This rate is not even close to the actual cost. Those overcharged the penalty rate during the past two quarters should have their account credited.

George and Ginger Harmon

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