

Agenda

Hat Island Community Association
Board of Trustees Meeting
3616 Colby Ave PMB 335
Everett, WA 98201
(360) 444-6611

Saturday February 18, 2023

10:30am via ZOOM

Attendees:

Erik Smith- President	Virtual
Ray Stephanson – VP	Virtual
Don Stark- Treasurer	Virtual
Kelly Dukes- Secretary	Virtual
Aimee Caccavale- Trustee	Virtual
Dan Jensen- Trustee	Virtual
Roelof Burger	Virtual
Kim Gleason- Island Manager	Virtual

Agenda:

Call meeting the meeting to order
Approval of the HICA Board Meeting minutes from Dec 17, 2022
Legal Report- Erik Smith
Island Manager- Kim Gleason
Treasurer's Report- Don Stark
Old Business: Cargo on ferry
New Business: Discussion of pros/cons of everyday ferry service

Committee Reports:

Nature Conservancy- submitted report does not require action
Water Committee- Roelof Burger

Community Input (3 minutes per owner)

Erik: Called the meeting to order at 10:33am

Approval of HICA Board meeting minutes from 12/17/2022

Erik: Requests a motion to approve the minutes

Don: Motions

Ray: Seconds

No discussion

Vote:

Erik Smith- President	Yes
Ray Stephanson – VP	Yes
Don Stark- Treasurer	Yes
Kelly Dukes- Secretary	Yes
Aimee Caccavale- Trustee	Yes
Dan Jensen- Trustee	Yes
Roelof Burger- Trustee	Yes

Motion passes- minutes are approved

Erik: Expect a short meeting today. The Board is planning a working session on Guest Policy in the near future- standby for that date to be scheduled in the next couple weeks.

Legal Report- Erik Smith

As you are aware we have been in lawsuit for several years. No new news on Matt Surowiecki foreclosure. We have had continued discussion on a mediation option, but will be proceeding with foreclosure on the assumption that there will be no negotiated resolution of the pending lawsuits. HICA council was working with Matt Surowiecki's new council, and we have been trying to work towards a negotiated global settlement. It has not happened, we would like that option, but we are proceeding with foreclosure in the meantime.

PUD update to move the islands 3-phase power cable from our existing easement location in Tulalip to a new location in the Port of Everett. HICA Board meeting a couple weeks ago with PUD. Site in Port of Everett in work. Lost 2 years working with Tulalip Tribes which did not result in success. Working with PUD, about a year ago we pivoted away from negotiation of the Tulalip location to an alternative location in the Port of Everett. Everett working with the State of WA ecology department who has our plans. Soil testing is required and in work. Our current easement on Tulalip Tribes land will end in April of 2024. Our easement may need to be extended, but we are vigorously pursuing getting that in place.

Island Managers Report- Kim Gleason

Spring is in the air. Well, kind of. The staff has been busy with winter projects. They've recently completed the repair of the old ferry dock. The old ferry dock was kept afloat with Styrofoam and old tires with Styrofoam in the middle. We believe it was an original dock from when the marina was first constructed. The docks are very slippery this time of year, please be cautious when walking on them. We do power wash them and put sand as required. Last year the Marina Committee suggested the use of a marine stain that inhibit the growth of green slippery substance. We tested this stain on the finger docks and this has worked well, as the area treated has no green growth and is not as slippery. The plan is this summer to purchase more of the stain and apply it to the rest of the docks. This will make them less slippery and safer as well as will require less power washing which should extend the life of our docks.

The next build that is taking place is prefabrication of the new playset that will go up once we obtain permits. There is much work to be done to get this ready with intricate cuts, etc. Getting these pieces cut and labeled ahead of time will speed up the process of assembly once the permits are approved.

PUD will be onsite to repair a transformer. That transformer mainly supplies power to U, V, W and X. Repairs are planned for next Friday 9:00am-3:30pm power out for about 30 residences while repairs are conducted. I will be reaching out to those residences to make sure they are aware; PUD will also make robocalls to advise those affected.

Exciting to see everyone coming back, it was a full ferry Friday night for the holiday weekend. Julie Wanner is new in the office and we welcome her. The office closed Monday for Presidents Day.

Treasurer's Report – Don Stark

Treasurer's Report for February 18, 2023

All payables are current and our reserves & operating income, as of January 31, 2023 are as follows:

Capital Reserve: \$359,147
Cash Reserve: \$258,621
Marina Reserve: \$9,633
RO Reserve: \$114,833
Operating Income: \$531,631

Detailed P&L and Balance Sheets will be posted on-line for your review.

Respectfully,
Don Stark
HICA Treasurer

Alan Dashan: The Finance Committee met about a week ago with final 2022 numbers in hand. 2023 budget looks good. Looking into the future to look at ways to invest our funds to make the most of our money. Focus on long term plans over the next 2-5 years. We will work with the Long-Term Planning Committee as well. We will check in in the next couple weeks to report on 1Q23 reports.

Don: The 2022 budget came in pretty much right as planned and it was the basis of the 2023 budget plans. One good thing that happened, we have an opportunity to apply for a Employee Retention Credit, which is for business that did not lay off people during the pandemic. That will be some unexpected revenue which will be applied to the capital

reserve fund. On the expenditure side it is tracking as planned. The ferry is doing particularly well and meeting or exceeding our budget expectations.

Discussion: When do we get the Employee Retention Credit? It depends on when our taxes are filed- TBD, but expect in the next couple months.

Old Business:

Ferry Cargo usage in low season

Erik: Requests a motion to discuss for 15 minutes

Aimee: Motions

Ray: Seconds

Vote:

Erik Smith- President	Yes
Ray Stephanson – VP	Yes
Don Stark- Treasurer	Yes
Kelly Dukes- Secretary	Yes
Aimee Caccavale- Trustee	Yes
Dan Jensen- Trustee	Yes
Roelof Burger- Trustee	Yes

Kim: Last month, during the vessel committee report, several Board members mentions that they would like to see flexibility on the low usage runs to allow owners to bring added cargo. I mentioned that the captain had some ideas on this and that I would come back to the Board and the community with more information. Since that time the captain has announced and sent out a communication to the community that if you need to or would like to exceed the normal amount of cargo on a regular ferry run you can email the captain in advance and check to see if there is room. If there is room on the sailing, the captain will let you know and you will be charged a cargo fee. As the summer approaches there will be less and less opportunity to do so, however if there is room the crew (Captain Sparrow and First Mate Harrison) are flexible with advance notice.

To contact the ferry with a request you email skipper@hatisland.com and hiferry@hatisland.com. The reason to use both emails is so that if there is a relief captain, the first mate can address your request.

Discussion: Captain has posted fees, that are published. You just need to email him in advance. Saturday cargo runs have been well received. Recent cargo includes, extra groceries, bedroom sets, dressers, flooring, wood chipper etc. Captain Sparrow has full autonomy to make the decision to accept or reject cargo.

New business:

Pros/Cons of 7-day ferry service

Erik: Requests a motion to discuss 7 day passenger ferry service for 15 minutes

Ray: Motions
Kelly: Seconds

Vote:

Erik Smith- President	Yes
Ray Stephanson – VP	Yes
Don Stark- Treasurer	Yes
Kelly Dukes- Secretary	Yes
Aimee Caccavale- Trustee	Yes
Dan Jensen- Trustee	Yes
Roelof Burger- Trustee	Yes

Discussion:

Ray: You may be aware, during the pandemic we were working with Snohomish County and Island County to explore 7 days a week ferry service between Whidbey Island, Hat Island and Everett. This was explored in support of first responders, medical personnel and educators who were struggling reaching their jobs due to reduced WA State ferry service. We were not successful in that application. Bruce Agnew who lives on the island is very involved in passenger only and train service in his work, there may still be a possibility of this in the future. There may still be a possibility in the future to continue to explore this.

Living on the island full time, Dr appointments and other appointments are difficult to schedule and based on our ferry schedule may require an a couple night stay in a hotel. I still believe there is strong interest in daily service, obviously it would need to make financial sense. I would be willing to work on this with Roelof and the Ferry Staff to do a cost analysis. Consider it in high season initially or maybe it is just adding an extra day. We spoke a few minutes ago about the size of the new ferry, getting groceries and supplies here are a huge challenge for those who live on the island.

Aimee: I support this idea too Ray, however I think might want to let the Vessel Committee to do the research and cost analysis as a good place to start.

Erik: I think sending to the Vessel Committee is a good idea. When we added Monday service, there was a concern that it would lower Sunday, but it didn't. Analysis would need to consider if Tuesday and Wednesday service was added, would it take away from ridership on other days and impact profit viability of those days.

Don: I spoke with Kim about this already. The marginal cost of the run is not that much, at about \$120.00 round trip. The impact would be the crew scheduling concerns. One Captain is full time, another relief Captain that is only available on certain days as he has a part time job already. The cost impacts would primarily be in adding extra crew, and a rough assessment is about \$40,000. While working with the Vessel Committee and the ferry crew they would need to consider how to balance the staffing.

Don: Agree, that Vessel Committee is the place to start this discussion. Perhaps island legend, but was there a requirement at one time to not have FT ferry service due to limited availability of water on the island?

Kim: I have not heard that, but I have heard speculation that if we had daily service, it would cause the island to become very popular and could our water infrastructure

handle that? We are growing, it is coming, we need to prepare for it. The Long Range Planning Committee is looking at it. I did talk to Captain Sparrow about this, he concurred we would need another Captain as he could not work 7 days a week. The other thing he said should be considered is if the ferry is running 7 days a week, we would increase the wear and tear on the ferry and impact the ability for maintenance and repairs as there would be limited down time. When we were looking at it for the possible Langley, Hat, Everett service there was discussion that there would be days you would need a backup ferry. The Vessel Committee can look at all this and make a recommendation.

Erik: Any difference in insurance costs.

Dan: I expect the insurance cost would not be a major factor, but I expect that there will be pushback from some of the community.

Ray: Question and interested if this would add to the possible costs. Has the policy changed that the Harbor Master meets the ferry, noticed several times that did not happen. But assuming that is the expectation and our policies and procedures state that a Harbor Master meets the ferry, then a PT Harbor Master would likely required as well as the consideration of additional ferry crew.

Erik: When I bought my home in 2015, I had to work to find a lender as we did not have 365-day ferry service to the island. Should we ever move to 7 days a week ferry service, I expect our homes value would increase. I am ok with Ray and Aimee championing this and come up with a presentation with pros and cons for the island to consider.

Ray: one other matter that Don brought up last year. Some sort of landing craft to service for boat in only homes. Getting supplies to the island is hard and especially so for boat in only lots. We might want to consider a RFQ to see if anyone is interested in bidding on that type of service.

Don: Last year we passed a motion to establish a task force to consider an auxiliary vessel that would provide both emergency service, utility service and passenger service to parts of the island that are not serviced by the ferry. The Board President has the authority to appoint such a committee. That has not happened yet, but this could just as easily make its way to the Vessel Committee and the same people could be involved in that. That might be a good way to address both of these questions as many of the same people and considerations would be involved.

Erik: I think it is a separate topic from 7 day ferry service, but agree some of the same people would be involved. We are at 15 minutes on 7 days ferry service.

Erik: Can I have a motion to discuss landing craft service for beach access lots.

Dan: Motions

Don: Seconds

Don: Financial and practically as well as demand questions to be answered, but emergency/ EMT service is at the whims of the tides, and weather in many cases. This subject would be a different subject and analysis, other than some of the same people providing the data. I think it would be good to assign this to the Vessel Committee. Perhaps supplementing their membership with people who have an interest or expertise in the subject.

Erik: Last year when discussed, it was suggested that Hat Island may want to consider buying a landing craft to use for EMT, emergency service as well as barge and landing craft service for boat in only lots. That is different than what Dan is suggesting which is to hire that service.

Don: That could be part of the analysis. I have done quite a bit of research on this. Camp Orkila used a vessel like this that was built by a company in Arlington. They are aluminum boats, several owners in I and U divisions have these. Or occasionally you impose on your neighbors help to get a hot water tank or refrigerator. Carry at most 6 people, licensing requirements are must less than the ferry. We could hire a private service, but it would not address the public safety (fire/ emergency service) which is important.

Dan: We has talked about getting the fire department involved in this.

Don: Yes, there is no reason why some of the capital cost could not be differed that way. There are lots of ideas to consider.

Discussion: Idea a bit like Rabbit Transit, it could be booked in advance. Would be used for emergency work from the fire department. Potentially a crew person could captain it as a vessel this size has less requirements to captain it.

Ray: Through the city of Everett, I was successful going though Homeland security to get two boats, one was for police the other for police and fire. Grant money is available. Our fire department might qualify for a vessel grant. John Gray and I both have public sector experience we can put out heads together to explore if it is possible.

Kim: That is smart thinking. Captain Sparrow is listening and he and the Vessel Committee are ready to explore.

Aimee: I am glad that Udo and Captain Sparrow are on this meeting. I think that both ideas are worthy of discussion, it is just a question of understanding the business case to evaluate.

Erik: 7-day ferry service is Vessel Committee centric. The landing craft may start with the Vessel Committee, but would also require a more extensive effort involving the fire department, Finance Committee etc. Start small and scope the projects. The community would need to weigh in. The possibility of grant money is promising. We did just raise assessments and we need to be good stewards, so lots to consider.

Water Update 2-2-23

Water produced in Jan:

	Jan	YTD
Wells	118,920	118,920
RO	188,300	188,300
Totals	307,220	307,220

During Jan the Wells performed as expected and the RO production was 188,300 with the RO producing at its expected capacity.

The production from this period was 36% less than Jan of last year. The water mix was 39% wells and 61% RO.

The YTD produced is 24% less than the last 2 years avg of their YTD amount.

Roelof: Nothing out of the ordinary to report the R/O is back in production.

Erik: Any need to update water infrastructure resources? Chris is on it and does a great job with repairs, but does he need additional resources?

Kim: I have asked Chris if we should go Division and Division and replace everything. He has responded that is best to do the repairs as they come up. Chris is mapping the repairs and documenting what was done.

Nature Conservancy:
Submitted a report, but no action required.

Kim: No other committee meetings yet, but expect as we move towards spring that committees will increase meetings/reports. We have some bands coming to the island soon.

Erik: Working session on Guest policy in 1.5 weeks on a Wednesday night at 6pm. It will be open for public to listen.

Kim: Captain Sparrow did provide a response about our previous discussion regarding extra cargo on passenger runs. He states the intent is that the crew is notified of the request 24 hours prior to the run. Thursday run should be submitted by Monday evening to give them time to respond.

Community input: (3 minutes per owner)

Sharron Meadows A24

I supported the increased assessment fees because we needed it for maintaining infrastructure, inflation and salaries all required that we raise our assessments. What we are looking at today for 7 days ferry service and barge for boat in only service is concerning. They would both potentially be very expensive and may be for the benefit of special interests. It may turn out after understanding better, but for now that is the impression that it is making. It looks like we got additional funds, now let's look at all these other ideas.

Erik: Comments from anyone?

Dan: We have the whole year to look at our financials and long-range planning that needs to be addressed as the island is changing. These are all things that would take careful consideration and evaluation of the financial impacts. This is just a discussion for now.

Erik: Planning only for now, committees to review, the community would need to approve. I am financially conservative too.

John Gray: Speaking as our Interim Fire Chief, we have an awards ceremony on Saturday March 11th at 1:00. Celebrating years of service, retirement, accommodations and leadership awards. The community is invited to attend.

As a community member I applaud the Board for the discussions today. I encourage the board to use the Long Range and Finance committee as well as the Vessel Committee and Safety Committee to consider the topics discussed.

Erik: I would like it to start with the Vessel Committee for perspective then engage with the other committees, so everyone isn't working it all at once. Does that make sense John?

John Grey: I do see your perspective. I have been on the Vessel Committee, I would suggest that the questions are broader than the perspective of the Committee Members. So that is the reason that I am suggesting the members of the other committees are brought in for a more holistic discussion. I think the focus is very broad from what the mission of the Vessel Committee is.

Erik: I am not proposing to silo it with Vessel, I am seeking their initial threshold questions and parameterize it there, then the Board will help facilitate if need be to bring in other committees and perspectives. These are huge topics.

John Gray: I also encourage to bring this to the Fire Commissioners; Ray can help to facilitate to bring it to them on their level, it would be helpful.

Erik: Aimee if this pretty big, then lets formalize the meetings so that other people can participate.

Kim: The Vessel and Major Equipment Committee have been advertising to get extra members. If you are interested in joining, contact Udo Gertz or Aimee Caccavale.

Dan: Just to go back to Sharron's comments. I appreciate the communities support on the budget. The Long Range Planning Committee is looking to do an all hands on deck 2 day retreat in June or July. This is the perfect example of items that the Community want to do long term as well as the financial impacts. I would urge us to a first draft done by June so it can be included in the retreat.

Erik: Any other community input? Not seeing any.

Erik: Call for a motion to adjourn open session to move into Executive Session to discuss personnel and legal matters. We will return to open session and make any announcements if there are any to make.

Dan: Motions
Ray: Seconds

Vote:

Erik Smith- President	Yes
Ray Stephanson – VP	Yes
Don Stark- Treasure	Yes
Kelly Dukes- Secretary	Yes
Aimee Caccavale- Trustee	Yes
Dan Jensen- Trustee	Yes
Roelof Burger	Yes

Motion approved

Moved to executive session at 11:45 am.

Return to open session at 12:30pm

Erik: Nothing to announce, requests motion to adjourn

Dan: Motions
Ray: Seconds

Vote:

Erik Smith- President	Yes
Ray Stephanson – VP	Yes
Don Stark- Treasure	Yes
Kelly Dukes- Secretary	Yes
Aimee Caccavale- Trustee	Yes
Dan Jensen- Trustee	Yes
Roelof Burger	Yes

Meeting Adjourned at 12:32 pm

Rules of Conduct

1. This is a meeting of the Board of Trustees, not a community meeting.
2. Community comments are welcome during the Community Input portion of the meeting and/or as called for by the presiding officer. The presiding officer will announce when comments will be heard. Please be patient.
3. Any community member wishing to speak must obtain permission to do so from the presiding officer.

4. Please give your name and lot number before speaking.
5. All remarks must be addressed to the presiding officer.
6. Comments shall be limited to three minutes or less for each person on any given subject.
7. Any derogatory remarks will not be tolerated.