

Approved Minutes for the HICA Regular Board of Trustees Meeting Held in the HI Yacht & Golf Club on June 17, 2017 – Respectfully Submitted by Scott Wilson, Secretary

The meeting was called to order by President Scott Holte at 10:30AM. Present were VP Karen Conner, Treasurer Mike Immel, Secretary Scott Wilson, Trustees Darla Younce, Kevin Smith and Udo Gerz.

The first order of business was the approval of the Minutes from the May 20, 2017 Regular Board Meeting. The President called for a motion, Darla Younce so moved and Karen Connor seconded. The motion passed unanimously with Udo Gerz and Mike Immel abstaining.

Call for Board of Trustees Candidates

Scott Holte announced that three positions are open in the next election;

Two “Three” Year Terms

One “Two” Year Term

Candidate Forms are available on the website. Additionally, a formal Call for Candidates will be sent via email with all the pertinent details. These must be submitted by 3:00PM on Friday the 28th of July.

Note: Since the 061717 Meeting the One “Two” Year Term was omitted.

A Candidates Forum just like last year will be held on Saturday the 25th of August and Moderated by the Island Manager. Details on the event will be forthcoming.

Water Report

Scott Wilson reported that the staff had submitted the Annual Report to the Water Committee and Board. A hard copy of this report will be mailed to all property owners with water on or before July 1. Additionally, it will be sent to the community via email and posted on the website under the Water Tab (Annual Reports).

The Raw Water Pressure Gauge in the RO was replaced last week bringing the RO into an operational state.

The 6th Leak Detector is in the “Install Phase” and is schedule to conclude the week of June 19th.

Chris Inman, our Water Operator, attended a Water Loss Workshop for Small Water Systems earlier in the month. From his report;

It was a good work shop and many things were helpful. There were 3 key takeaways they emphasized:

1. Make sure the data you are basing your decisions on is valid. They have a scoring template that helps you score your data and we will look at putting our data into this template and see what our score is. Less than 50 work on your data. 50-70 look at what the report tells you to work on but be cautious and still try and improve your data. Over 70 feel confident that you can spend money on the items it shows as being the top 3.
2. The 10% goal of lost water is being looked at by the state as they know this is unfair to small water systems like ours. 10% of our loss is only 250,000 to 300,000 gallons and if we have just 1 pencil size leak in a 4" line we will lose 60,000 gallons in a 24-hr. period.
3. Make sure that you're BOD or City Councils understand that 0 leaks is not an attainable goal. Every water system has joined pipe that is buried and these joints will leak as they age. Managing the leaks and water loss is important but make it proportional to the revenue generated or revenue lost.

Legal Report

Scott Holte reported that three of the four Motions for Partial Summary Judgement had been granted (PSYC, Statute of Limitations and Recall). The ruling on the Misrepresentation and Fraud MPSJ was reserved. It is scheduled to be announced at a Hearing on June 27th.

The next Mediation is scheduled for June 26th.

Treasurer's Report

Mike Immel reported that an agreement had been signed with the firm conducting the Audit. It will cover two years, 2015 and 2016. It is scheduled to start July 1st and conclude before the trial.

Mike stated the Board could expect a more thorough report in July. Ledger Balances, Reserve Accounts and Profit Loss reports were reviewed. Mike noted

that while Balances look healthy the Reserve Accounts were still significantly below target.

The Marina Loan was reviewed noting that Special Assessment Payments end in 2018. The Major Property Owner's payments continue through 2023.

Finance Committee

Scott Holte announced that Alan Dashen has accepted the position of Chairman of the Finance Committee. Alan has already begun research on refinancing options for the Marina loan and Mike indicated that all options were on the table.

Marina Committee

Udo Gerz submitted this report in writing;

To: Udo Gerz, Board Chair Marina Committee & Sandy Bettencourt, Island Manager
From: Ray Brown, Master, Hat Express

Subject: Redside Construction Meeting Minutes

1. Evaluate if the Harbor needs to be dredged this year, if not when. We need to check the permit to see when it expires (we think this year).

- Determine timeline and scheduling outline if necessary
- \$\$ Estimate from Redside
- HIC may be able to use the existing permit for all construction (Chuck indicated the core permit has expired)
- Land disposal of dredge spoils would require a "Land Disturbing Permit"
- If necessary HIC has the use of 3 dump trucks currently on the island
- There is potential to speak with Snohomish county to take spoils to them for use on Jetty Island as part of their island enlargement project
- HIC could consider using the spoils for beach nourishment as a means of disposal. However, we will need environmental permitting
- Dredging will be required at the boat ramp if docks are placed at the ramp
- An inventory of materials is necessary to determine final cost to fabricate and install docks on the boat launch
- Consensus: Dredging not required for 2017 unless dock are to be installed at the boat ramp
- The decision on disposal of the dredge spoils will be required to make a final estimate on overall dredging cost

2. Improvements to the configuration of the docks to receive the Ferry Questions:

- What would be a recommended lay out, would we lose slips (how many)
- Feasibility for relocating ferry dock
- Impact on PSYC slips (number and configuration)

- Create a template of new marina design for presentation to the HIC Marina Committee
- \$\$ Estimate from Redside
- Determine timeline and scheduling outline if necessary
- 130' x 10' concrete dock is available for free to use as ferry dock (Must verify environmental impact)
- The most feasible and economical option to reconfigure the ferry slip and upgrade/repair PSYC slips would be to flip PSYC docks to west side. Use the free 130' concrete dock for ferry. The marina would also benefit by reduced influence from the southeast winds.
- The ferry will no longer require an additional boarding ramp. Reduces HI boarding ramps to 1 overall
- To minimize mobilization cost it is to our benefit to merge the dredging and dock repair projects

3. Replacement or Repair of damaged PSYC pilings.

- Identify piling requiring replacement
- \$\$ Estimate from Redside
- HIC will need to determine a course of action. To replace the broken pilings or reconfigure the dock to accommodate a north-south ferry dock.

4. Assess current docks for repair or replacement

- Prepare an outline of work to be completed
- \$\$ Estimate from Redside
- The chart below was provided by Chuck Motson, Committee Member

	Cost	Sq Ft	\$/Sq Ft	
Renovation	\$673,899	7952	\$84.75	Actual, 2008
Expansion	\$227,561	6444	\$35.31	Actual, 2013-2014
PSYC		1416		
	\$1,897,440	15812	\$120	Assumed, now

- To complete the estimate, we will need a count of all existing pilings (Barb)

5. Photograph Marina docks, ramps, pilings etc. for submission to the insurance company (Need the estimate within the next two weeks if possible.)

- Barb can take the photos and provide to Sandy.

6. Other items from Committee or observations/recommendation from Redside

- Dennis Dearing called WDFW to verify if we can use the concrete dock and found that new docks would need to have grates to transmit light.

Vessel Report

Udo Gerz reported that the Ferry had received the new Generator and that Capt. Ray and Crew would be installing it next week. There are Hydraulic System and Software Updates scheduled.

Capt. Ray has indicated to Udo that up to \$90K in repairs will be needed over the next year which support the new Ferry discussion. Udo has been gathering data and visiting Vessel manufacturers. Estimates are being solicited as the evaluation continues.

A Community Member suggested that the Marina Loan should be paid off before the HICA takes on another debt.

Community Input

A Member suggested that Summer brings dust and asked the Board to consider lowering speed limits.

Another Member added that slower speeds help to increase the quality of the road.

A Member noted that Violence begets Violence which was inspired by a comment one member made about another at a recent event that the Member overheard.

Linda Ebner announced plans for the HI 50th Anniversary.

With no further business, the President called for a Motion to adjourn to Executive Session to discuss legal matters. Mike Immel so moved, Darla Younce seconded. The Motion passed unanimously. The Meeting adjourned at 11:24AM.

Hat Island Community Association
Profit and Loss
January - May, 2017

	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Total
Income						
Annual Assessments & Fees Income						
Total Annual Assessments & Fees Income	\$56,096	\$28,793	\$49,815	\$28,608	\$6,028	\$169,340
COMMUNITY INCOME						
Total COMMUNITY INCOME	\$53,876	\$24,676	\$29,898	\$22,141	\$16,207	\$146,797
Previous Year Collection Income						
Total Previous Year Collection Income	\$17,024	\$6,873	\$6,418	\$8,723	\$4,667	\$43,704
SPECIAL ASSESSMENT INCOME						
Total SPECIAL ASSESSMENT INCOME	\$79,031	\$46,087	\$96,222	\$58,894	\$12,862	\$293,096
WATER INCOME						
Total WATER INCOME	\$27,929	\$12,466	\$26,668	\$11,801	\$2,902	\$81,767
Total Income	\$254,357	\$131,963	\$229,034	\$154,641	\$57,945	\$827,940
Cost of Goods Sold						
Total Cost of Goods Sold	\$11,058	\$10,068	\$5,118	\$9,451	\$15,022	\$50,716
Gross Profit	\$243,300	\$121,895	\$223,917	\$145,190	\$42,923	\$777,224
Expenses						
Administration						
Total Administration	\$1,294	\$620	\$90	\$1,455	\$1,013	\$4,472
Insurance						
Total Insurance	\$6,854	\$6,854	\$6,854	\$7,319	\$7,044	\$34,924
PAYROLL						
Total PAYROLL	\$30,289	\$30,162	\$48,565	\$33,783	\$35,890	\$178,689
Professional Services						
Total Professional Services	\$3,221	\$1,168	\$6,676	\$3,514	\$2,937	\$17,516
REPAIRS & MAINTENANCE						
Total REPAIRS & MAINTENANCE	\$6,760	\$8,691	\$6,976	\$31,247	\$12,650	\$66,324
TAX						
Total TAX	\$632	\$866	\$380	\$15,251	\$432	\$17,561
UTILITIES						
Total UTILITIES	\$2,500	\$2,175	\$2,471	\$2,207	\$2,254	\$11,607
Total Expenses	\$51,550	\$50,535	\$72,011	\$94,776	\$62,221	\$331,094
Net Operating Income	\$191,750	\$71,360	\$151,906	\$50,414	-\$19,299	\$446,131
Other Income						
Total Other Income	\$958	\$461	\$604	\$3,501	\$474	\$5,997

Other Expenses**Reserve Contribution**

8200-AB Capital Reserve Transfer	\$19,171	\$10,625	\$23,718	\$15,232	\$1,735	\$70,480
8300-AB Cash Reserve Transfer	\$12,838	\$7,115	\$15,883	\$10,107	\$1,155	\$47,098
8400-AB Marina Reserve Transfer			\$2,028	\$3,494	\$297	\$5,819
8500-AB RO Water Reserve Transfer	\$6,965	\$3,171	\$5,003	\$2,636	\$250	\$18,025
Total Reserve Contribution	\$38,973	\$20,911	\$46,633	\$31,468	\$3,437	\$141,422
Total Other Expenses	\$43,900	\$25,803	\$51,014	\$36,277	\$8,049	\$165,043
Net Other Income	-\$42,942	-\$25,343	-\$50,410	-\$32,776	-\$7,575	-\$159,046
Net Income	\$148,807	\$46,017	\$101,496	\$17,638	-\$26,874	\$287,085

Hat Island Community Association

Balance Sheet

As of June 16, 2017

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
Operating Cash Accounts	
1100 Cash Petty	231.00
1111 Bank FB Operating Ckg - 41606	409,163.11
1121 CCB Operating Ckg Acct #1744	50,673.78
1122 CCB Receipts Acct# 6064	5,802.38
1125 Merchant Services / Secure Pay	50,241.22
PCB - Sweep Acct #5755	4,269.38
Total Operating Cash Accounts	\$520,380.87
Other Reserves	
1129 CCB DNR Bond Acct# 3316	1,511.58
Total Other Reserves	\$1,511.58
PCB - Capt. Res # 5771	136,492.32
PCB - Cash Reserves #5763	68,361.58
1110 Cash Reserve Employee Bonus	3,603.86
1113 FB Bank Cash Reserve Acct# 5763	1,154.76
1114 Bank FB Insrnc Reserves	7,665.00
Total PCB - Cash Reserves #5763	\$80,785.20
PCB - Marina Acct #9741	56,584.30
PCB - ROP Acct # 5797	25,006.13
Total Bank Accounts	\$820,760.40
Accounts Receivable	

Friday, Jun 16, 2017 09:33:34 PM GMT-7 - Cash Basis