

Final Minutes of the HICA Board of Trustees Meeting at HIY&GC on 1/18/2020

Darla Younce, Board President, called the meeting to order at 10:31 AM PST. Present were Kurt Kassahn, Treasurer, Paula Bafaro, Trustee, and Kevin Smith, Trustee. Erik Smith, Vice President, Scott Holte, Secretary, and Udo Gerz, Trustee, were available telephonically.

Darla asked for a motion to approve the minutes of the Regular Board meeting on 12/21/2019. Paula so moved, Kurt seconded the motion, and it **passed unanimously**.

President's Report

Darla presented her report as follows:

Although we have not yet signed the parking agreement with the Port of Everett we expect the parking fee for 2020 to be \$600.00 for the year. They have agreed to delay requiring owners to move their cars if they are gone longer than 30 days at a time and no "car covers" will be allowed due to POE theft concerns. As soon as the contract is signed we'll get the new permits and have them available for purchase in the office.

The 2020 ferry schedule will remain the same except for Thursday mornings when the ferry will now leave Everett at 8:00 a.m. and Hat Island at 9:00 a.m. The afternoon times will remain the same.

We currently have a situation where the bulkhead has failed, and high tides and wind are eroding the road leading to Division H near Conwell Park. We are looking at different options such as expedited permits to keep the road open and are monitoring it closely. **Please be careful if you are driving in that area!**

The Board is scheduled to have an Island orientation meeting in February when we'll be touring the Island and learning about the water system, safety procedures, etc.

The Board is scheduled to meet with PUD February 6th to review status of our planned cable replacement.

Please be advised that we are trialing some potential relief captains during the next several weeks and you may see new faces on the ferry.

Legal Report

Darla presented a legal update as follows:

There has been no further action in the litigation matters. The Surowiecki lawsuits remain at the Court of Appeals awaiting dates for oral argument. The Division H case is still being mediated. It has been slow (you can blame the lawyers- seriously) but we hope to resolve the claim without further litigation.

Island Manager's Report

Kim presented her report as follows:

Thank you to the Yacht Club for turning the heat on last night so that we could all be comfortable this morning!

Barge- Due to inclement weather, we are **rescheduling the barge to January 29th, 30th and 31st**. We will send out updated invoices as soon as possible.

Ferry-

Starting in February the Hat Express will start leaving Everett at 8:00am and Hat Island at 9:00 am. This will allow Island residents to have an extra hour on Thursdays when going to Everett to run errands and medical appointments.

The long-awaited concession coupons are in and available for sale. \$20 will buy you \$20 in yummy snacks.

We are also looking to hire a deckhand. A former one, Jesse, will be back in town for a few months this Spring and has agreed to help out. If you know anyone interested in the position, the application is on the Hat Island Website.

Maintenance- The maintenance team has a new member! Welcome Kyle to the island team. Kyle is our First Mate on the Hat Express and will be working the balance of his hours on the island with our maintenance team. The team has been busy this week with a water repair, moving falling debris from the road and keeping our equipment in running order. The ice and snow this past week have done a fantastic job at creating more potholes. We will do our best this week to make them less jarring...we had hoped to have the larger stone this week to work on them but with the barge delay and being shorthanded this past week it has had to wait.

Office-

Bookkeeping- Our new bookkeeping service is up and running. They have been very easy to work with! The transition has been smooth but there are a lot of little wrinkles to iron out. We appreciate everyone who have sent in their 4th quarter assessments and those who have already paid for 2020.

We continue to collect on past due accounts. Last month I reported that we had collected \$19,428.00 in past due accounts. I'm happy to report that this month we've collected an additional \$14,445.89 for a total of \$33,873.89.

Coming up in the next month or so we will be transitioning to a new credit card processing program. This will decrease the fees we pay for processing credit cards and will benefit us all in the long run.

Mike McCarthy Update- Many people have inquired about how Mike is doing. I asked him what information I could share with you all and he wanted everyone to know that he

has just finished his third round of chemo and is fighting the fight! I speak with him several times a week and his spirits are good though he is tired. He and Pam send their love!

Finally, I'd like to give a shout out to the Hat Island Fire Department. They do an incredible job on this island and literally save lives. If you see a firefighter.... say thanks!

As always- we love to have you all visit in the office!

Treasurer's Report

Kurt presented his report as follows:

Our accounting firm, YBS, is getting closer to getting our accounts reconciled. We are getting weekly updates and the latest was very encouraging. The bookkeeper reported: "I feel that by end of next week I will be roughly 85% done and then end of month have clear balances to end of years previous with me going back and making sure each month of each bank for 2019 are all reconciled by end of the month. This will mean that come end of January we can do a proper month end close by mid-February." At this time would also expect a complete Balance Sheet and P&L Statement. YBS has been very good to work with (very responsive) according to Kim and Duan.

Our transition to Heritage Bank is underway and should be complete at the end of the month. The new marina loan is in place and set up of the other accounts are next.

The HICA operating account continues to be strong and we will be contributing the budgeted \$150K to our reserve accounts as soon as the Heritage transition is complete.

Next month our down payment to Armstrong of \$250K will be made from our reserve account. We have also signed an agreement to market the current Hat Island Ferry knowing possession would take place once we have our new ferry delivered.

Committee Reports

Kurt presented the Water Committee Report as of 1/15/20:

Water produced in Dec:

| | Dec | YTD |
|--------|---------|-----------|
| Wells | 270,400 | 4,044,290 |
| RO | 62,800 | 820,260 |
| Totals | 333,200 | 4,864,550 |

During Dec the Wells performed well.

The production from this period was 30% more than from Dec of last year. The water mix was 80% wells and 20% RO.

The use for Dec was higher than normal. We did just discover a leak on our side in A division and it was repaired. Not sure how long it had been leaking it just got bad enough to come to the surface and was repaired.

The RO is still running as expected on the generator and we will be getting a new generator and fuel in Jan. The old generator has developed a coolant leak and PUD decided to replace it rather than repair it on site.

Community Input

A Community member asked whether we are coordinating our potential Conwell Park bulkhead repair with Division H?

A brief explanation clarified that some H Division owners have indeed sought permitting and bulkhead work as a group for their individual properties. HICA has inquired with the same contractor about something similar for the Conwell Park area, which is a community road, but bids are pending. Kim has been monitoring the road weekly and is exploring several options to fix it. Salmon runs limit our window of opportunity some. As noted in the President's Report, we may seek emergency permits.

Adjournment

There being no further business before the Board, President, Darla Younce called for a motion to adjourn to Executive Session. Kurt so moved, Paula seconded the motion, which **passed unanimously**. The meeting was adjourned at 10:51 P.M.

Respectfully submitted,

Kevin Smith

*These minutes are a summary of the discussions at the Board meeting, and not intended to be an exact recitation of all said, but do include all of the actions taken by the Board.