

## 12/19/2020 Hat Island Board Meeting Minutes

President Pro tem Paula Bafaro called the Zoom Community meeting to order at 10:41 PST.

Present: Paula Bafaro Vice President, Kurt Kassahn Treasurer, Erik Smith Trustee, Aimee Chambers Trustee, Dan Jensen Trustee, Udo Gerz Secretary and Kim Gleason, Island Manager, Darla Younce, President

### **Results of the 2021 Budget Ballot Vote**

**Yes Votes: 177**

**No votes: 13**

**Decision: passed**

### **Results of the Proposed Bylaw Changes**

**- Article VIII, Section 3 in regards to change the amount of time the island may foreclose a lien for unpaid assessments.**

**Yes: 176**

**No: 27**

**Result: passed**

**-Addition of new Article XI establishing an Alternative Dispute Resolution process.**

**Yes: 174**

**No: 29**

**Result: passed**

Thank you to our Ballot Counters and Observers!

Sharron Meadows and Bill Townsend

Steve Caplan and Cathy Feole

Steve and Toni Jefferies

Sandy Bettencourt

Aimee Chambers

At 10:43 Paula ended the Community Meeting and opened the Regular Board Meeting at the same time

Paula asked for a vote to approve the minutes of the 21. Nov Zoom Board meeting; Dan moved and Kurt seconded; all were in favor of the motion.

## **Presidents Report ( By Paula Bafaro)**

President Darla Younce has asked me to facilitate today's meeting. While she will try to be present for the meeting, she may be called away at any time to deal with personal matters. It's our last Regular Board Meeting in a very irregular year. I am so proud of how our island and our island owners have fared these past ten months, while facing a global pandemic. Thank you to our Island Manager and Staff, Volunteers, and Fellow Owners, for keeping the island running so well.

### **PUD Cable Project:**

PUD requested a meeting with the Island Manager and President on December 2, 2020 to provide updates on the new underground cable placement. Darla asked that I attend on her behalf, and Kim and I attended the PUD meeting where we learned of the progress made by PUD, and next steps required to secure use of Tulalip land where the new underground cable placement will originate. We feel we are very close to an agreement with the Tulalip Tribe, and hope to have great news in January as we move toward this important and time sensitive goal.

### **Marina Dredging:**

Our marina entrance has been dredged, which will allow the ferry to operate with less disruption due to low tides. We received a five-year permit for dredging, and Kim is working on extending that to a long-term ten-year permit, so we can dredge when needed without going through the long process of permitting each time.

## **Legal Report:**

Surowiecki Lawsuits: Matt Surowiecki has two cases under appeal. There are no new updates regarding whether or not the Supreme Court will accept review. That decision may not be rendered until Jan or Feb.

HICA Foreclosure Actions: HICA had previously filed suit to foreclose 38 lots owned by Surowiecki Family LP II. HICA has filed a new lawsuit seeking to foreclose the rest of the lots owned by Surowiecki and his various entities. The total amount owed by these lots, not including late fee, interest and attorney fees is \$1,522,704. As last reported, Surowiecki filed a motion asking the Snohomish County Superior Court to stay the foreclosure case pending outcome of his other case pending review by Supreme Court. The Court granted the stay but has required Surowiecki to post a bond in the amount of \$1,500,000 as security. Otherwise, the stay would be lifted. Surowiecki then filed a motion asking the Snohomish County Court to reconsider its prior decision. We have opposed and the hearing is set for Dec. 23 without oral argument.

Surowiecki also filed a motion with the Washington Supreme Court asking that Court to stay the foreclosure action –without a bond requirement. HICA has opposed that motion. We do not know when a decision might be made.

Division H Lawsuit: We have drafted the legal documents required to take the next step and they are under review by the Division H Owners' attorney. We are expecting a response soon.

## Island Managers Report, December 2020

Wow...our last time to gather before we say farewell to 2020 and happily welcome to 2021.

We, as an island, accomplished a lot in the strangest year many of us can remember. Our biggest win to date is that the safety measures put in place by the board have helped us to keep the island free of Covid-19, minus the one case we had. That in itself is a great success and we thank not only the Board of Trustees for their leadership through these crazy times but our owners and staff for their cooperation in making it all work.

I want to say something about the Board of Trustees. While technically they are the Board of Trustees of a Homeowners Association, Hat Island is so much more than that. We are basically a small town and their responsibilities run deep. It isn't just one meeting a month that they have to attend. They work hours upon hours for the community, sitting on boards, meeting with outside vendors, etc. They have to have the pulse of the island and sometimes emails can be exhausting but rarely is there a complaint because they know what they've signed up for and they understand the responsibility that they have to all of the owners. If you see a board member or can take the time to get their email off of the website, I encourage all owners to reach out and say thank you. They, like the staff, work hard to keep this island thriving and working well so when you come to the island, you can just enjoy.

We finished up the dredging of the Marina this week and Captain Shane has told us that he is relieved to have the extra space to maneuver when coming in and out of the marina. We are sure all owners will benefit from a dredged marina. As I've stated before we will begin the permit process for future needed marina repairs.

Some of the items that we look forward to completing in 2021 include but are not limited to:

Continue assisting owners whose accounts are in arrears get caught up and in good standing.

Continue to work on welcoming and informing new owners on the rules and regulations of the island.

Have the 2017 Audit done.

Install a new light on the ferry dock

Install the 2 Reduced Pressure Back flow prevention valves required by the state on our 2" supply lines for both the North and South marina water lines.

Working with PUD to hopefully get the RO back on its own power supply and off the generator.

Finish the metal roofing for wellhouses 3 and 4.

Paint the exterior of the RO building.

Get an outside wash station to spray off beach sand at the marina bathrooms.

Get the cement walkway completed in the marina which in turn will help with the drainage in the parking lot.

Get the Aqua Boll filter certified by the state DOH.

Again....just some of the goals we have for the year 2021! That and the hope that we see our world return to some sort of normal.

As we wrap the year it's always good to take a step back and look at what the community told us was important to them and ask ourselves, are we on the path they asked us to travel? They set a vision statement of:

***Private Island thrives as a pristine, sustainable and safe community.***

Looking back to some of the goals that were set that day I'm happy to report we've been able to meet a good portion of those goals and are working on others.

There were Eight Areas of Focus that a majority of the owners looked at on at the meeting. Let's do a quick refresher.

Long-Range Planning- Prioritize how we spend available fund for capital assets or changes to forecasting funds. ***Assign to Finance Committee***



Finance- Improve Collection of past-due assessments and fees; possibly contract with the collection agency. **We have engaged a collections agency. That along with the efforts of the office we are making large dents in our**

collection of past due assessments. Since October of 2020 we have collected over \$43,500 in past due assessment and we expecting a large check (\$20,000)in the coming week.



Growth- Fact finding on sustainable growth, including water and septic, buildable and non-buildable, and strategies for combining lots. **Assign task to Land Trust Committee**



Ferry, Parking, Transportation- Community vote on ferry replacement in 2019 election.



Governance- Review governing documents with respect to the vision statement (governance committee). Include legacy, Lars and inclusive thinking. **Task Governance Committee.**



Golf/Marina- Dredge, replace creosote pilings as well as reconfigure PSYC docs (with a single contractor).

Internal Management- Outreach to all community members, including both home and lot owners, to increase owner involvement. **Taken on by Social Committee and they have been very successful as well as formed the new Technology Committee.**

Maintenance, Equip., Maintenance- Establish committee to assess maintenance road grading, bluff, drive the drainage plan. Develop overall good, better, best drainage plans. **Water Committee has been working on some of this as well as owner's suggestions a new grading method is being tried. More to come.**

*Chuck Motson and Dale Defore have been very helpful with new grading procedure with our Dozer.*

As we start to accomplish these important goals that the community has tasked us with, we will look onto accomplishing the 3-year goals that they set. Included in their vision was safety and with that I would ask the Interim Madam President to entertain a motion for the final approval of the Visitor Policy Guide that had its preapproval last month, dependent upon suggested edits by Trustee Erik Smith.

**Request of Final Approval of Visitor Protocol – See Document A attached**

**Motion by Udo**

**Seconded by Darla**

**Yes All**

**Motion: passed**

## **Vessel report**

Right now, our new ferry is planned to be delivered on 15. Jan 2021; slight delay due to some changes in the building process; e.g., door at helm.

Over the course of the building process, we had several Change Orders (12); some were due to desired changes and some because things were not included in the process of writing up the specifications. 3 of these Change Orders were never executed. The latest one is the result of a requirement from the USCG regulations, that a ferry needs to have an emergency, non-electric bilge system. This was overlooked in the planning, building process and after the USCG addressed the issue, Armstrong is installing that system. The initial quoted cost was \$21,285.29 and with negotiations, we brought the cost down to \$7,485.29, material cost. We are still within the approved budget of the ferry.

As we had delays in the past, but coming now close to the final construction days of the vessel, we are hopeful, that we can have the boat delivered on 15. Jan 2021 to Hat Island (weather permitting).

After delivery we need 3 to 4 weeks of paperwork and USCG procedures to be done, before we can start regular service with the new boat; we expect the new boat in service in February 2021.

We plan some reserve days before the Christening of the vessel and have set the date for that important event for 23. Jan 2021.

We will send a schedule of events for that day, as we come closer.

Please mark your calendars for that day and hopefully we have a nice sunny winter day.

STAY SAFE and have a great and SAFE Holiday Season.

#### **Hat Express sale:**

The vessel is for sale by the brokerage firm Pinnacle Marine; Rob McMahon is the agent.

In a phone conversation with Rob last week and today, he stated, that vessels under \$650,000 are selling in general, but there is nearly no inquires for ferries.

We had a couple of companies in the early month of 2020, but then COVID happened. There is a company showing interest, as we speak.

Förde Reederei Seetouristik (FRS), a German Company with 60 vessels and 24 operations in Europe, North Africa and the Middle East, which acquired the Victoria Clipper Company in 2015.

With a reduction in price, he does not think, that it will trigger a sale right now, but such a reduction could stir some interest.

Current sale price is \$389,500, suggests to go to \$349,500; needs vote of Board.

**Motion Udo Seconded Darla All Yes Motion passed**

#### **Marina report and Vote:**

The Marina Committee is presenting a motion to raise Daily and Guest moorage rates for 2021

Both Summer and Winter seasons increase .25 per foot.

- a. Owner Oct-Apr \$.70 to \$.95 per slip foot. May-Sept \$1.00 to \$1.25 per foot.
- b. Guest Oct-Apr \$1.00 to \$1.25 per slip foot. May-Sept \$1.25 to \$1.50 per foot.



**Motion Darla    Seconded    Aimee    All Yes    Motion passed**

## **Harbor Master:**

**Request increase in Kayak Storage Fee from \$50/year to \$75/year to help offset cost to build another storage rack.**

Island Manager has spoken with Maintenance Team and cost is very minimal in materials to build. Island Manager recommends a \$5 per year increase to help offset the cost.

**Motion Darla to increase by \$5    seconded    Aimee    All Yes    Motion passed**

## **Request from Hat Island Manager to delete long term parking references**

### **Marina Parking Lot Use:**

- The Marina Parking lot areas are meant to be used for transient vehicles (coming to and from the owner's lot). Due to limited space, vehicles must be used on a regular basis, be operational and have the ability to be moved for parking lot maintenance, emergency purposes, etc. **All other long term parking will be on a fee basis. See Long Term Parking.**
- We encourage owners to provide a backup set of keys for emergency purposes. If you are locked out, the office can provide the back-up key to get you into your vehicle. If you are away from periods of time and it becomes necessary to remove your vehicle for lot maintenance purposes or for emergency purposes, we can move the vehicle without towing it out of the way. Contact the office staff to make arrangements to keep your backup key in our office.
- Boat trailers are to be parked at the owner's lot. Trailers may only be used for launching and removal from the marina. Trailers may not stay parked in the marina when you are boating. Long-term parking is not available for trailers.
- ATV, UTV, and Golf Cart parking areas are designated. Please do not park in regular parking spaces so we can maximize our limited parking for all community members.
- Day-Only parking area restrictions of 24-hour parking will be enforced.
- Parking is not allowed in the following areas:
  - ◆ **Commons Picnic Area other than for load and unload purposes**

◆ ~~Boat Launch Area other than boat loading and unloading purposes~~

- ◆ Vehicles may not block roadways (emergency vehicles must be able to get through)

### Speed Limits:

The maximum speed limit on Hat Island roads is the same for all vehicles, 15 MPH with the exception of the areas of the marina parking lot and all community hills (Marina Hill, H Division Hill, and N Division Hill) where the speed limit is 5 MPH. The maximum speed on community owned beaches is 5 MPH. At the discretion of the Island Manager or Board, speed limits may be reduced due to road conditions (too wet or dusty). Temporary Signs will be posted with the speed limit.

### Long Term Parking:

Due to the shortage of parking spaces in the Marina (North and South), the Board of Trustees initiated a Long Term Parking policy (June 2011).

- Long Term Parking is defined as more than 90 days. To leave a vehicle in the marina lot for more than 6 months requires a \$200.00 permit fee. 90 days may subject the owner to a fine. Vehicles with this permit will park in designated long term parking areas determined by Island Management. Currently these locations are located in the Marina and near the Tennis Court areas. Vehicles left in the marina lot more than 6 months without a long term permit will be considered abandoned and removed as per RCW 46.55 (This regulation delineates the notification process). This rule is waived for properties located along the beach in divisions I, S, U, T and lots D1-D16 and C6 – C28 who may park one vehicle in the marina lot, near the Commons area. These owners must contact the island office and register their vehicle.
- The vehicles of non-resident owners who park on their lots must park vehicles on their property, not in the island's right of way. Vehicles must not be allowed to become overgrown. Unused and non-operational vehicles and equipment will not be stored on lots (or community property) The HICA considers unused and non-operational vehicles and equipment to be a nuisance as described in the Restrictive Covenants (CCR's). The HICA also considers unused and non-operational vehicles to be rubbish and trash as described in the restrictive covenants:

#### From HICA Restrictive Covenants:

- Section 8: *No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become a nuisance to the neighborhood.*
- Section 13: *No lot shall be used or maintained as a dumping ground for rubbish; trash, garbage or other waste shall not be kept except in sanitary containers.*

### Parking on Community Property:

Owners and their guests may park temporarily on Community Property in front of their lots on short term basis and no more than 72 hours or by management permission due to special circumstances. Vehicles may not block roadways at any time. Community space along roadways is not meant for long

term parking or storage. Owners violating this policy will be given written notice to remove their vehicles/trailers/other equipment or be subject to impoundment fees for removal/disposal.

**Vehicle Removal/Impoundment:**

Any vehicle parked inappropriately may be impounded by either moving to storage on the island or hauled off the island at the owner's expense (\$50.00 minimum fee) and disposed of, in accordance with laws governing abandoned or illegally parked vehicles.

- **Motion Udo to make changes    Seconded Aimee    All Yes    Motion passed**

## **Water Update 12-15-20**

Water produced in Nov:

	Nov	YTD
Wells	167,020	3,209,658
RO	79,000	951,800
Totals	246,020	4,161,458

During Nov the Wells and the RO performed as expected.

The production from this period was 20% less than Nov of last year. The water mix was 70% wells and 30% RO.

We continue to run the RO with the generator so we are not quite at the mix we want to be at since we have to conserve our Diesel.

The RO is working but we did have 1 of our 5hp finish pumps freeze up so we will have to replace it. We have 2 so we are still able to run

We do have a spare motor and pump on hand so we will replace it this winter.

## Treasurer Report

### Treasurer's Report for December 19, 2020

- Detailed P&L and Balance Sheets will be posted on-line for your review. Attached are one-page P&L and Balance Sheet drafts.
- All payables are current & we continue to fund our reserves Reserve Study recommendations. The Finance Committee will evaluate our position and make recommendations to the board regarding options to pay down loans and further fund our reserves.
  - Capital Reserve: \$342,934.67
  - Cash Reserve: \$258,163.93
  - Marina Reserve: \$60,221.35
  - RO Reserve: \$64,599.99
- We have extended our construction loan contract with Heritage Bank until the end of January. I want to extend a shout out to them as they have been very pro-active, this is the second time we have extended the loan.
- Kim and her staff continue to pursue delinquent accounts which will always be applied to the Marina Loan.
- Next month will have a more detailed report regarding the audit, reviews and taxes.

Thanks for voting

Respectfully

Kurt Kassahn

2:24 PM  
 12/15/20  
 Accrual Basis

**Hat Island Community Association**  
**Balance Sheet**  
 As of November 30, 2020

	Nov 30, 20
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Bank Deposit Clearing Account	-28,222.22
Heritage Capital Reserve-9922	342,934.67
Heritage Cash Reserve- 9914 (New 2020)	258,163.93
Heritage Marina Reserve-9930 (New in 2020)	60,221.35
Heritage Operating - 9906 (New Operating Account 2020)	457,819.21
Heritage RO-9948 (New in 2020)	64,599.90
Operating Cash Accounts (Operating Cash Accounts)	82,069.80
Other Reserves (Other Reserves)	1,513.39
PCB - Cash Reserves #5763 (Cash Reserves)	43.38
<b>Total Checking/Savings</b>	1,239,143.41
<b>Accounts Receivable</b>	
Accounts Receivable (Accounts Receivable)	2,489,031.37
<b>Total Accounts Receivable</b>	2,489,031.37
<b>Other Current Assets</b>	
Account for Credit Transfer	25,270.07
Allowance for Doubtful Account0 (Allowance for Doubtful Account)	-29,071.18
Allowance for Doubtful Account1 (Allowance for Doubtful Account)	-66,057.75
Inventory (Inventory)	51,441.70
Prepaid Insurance and Taxes (Prepaid Insurance and Taxes)	117,057.97
Undeposited Funds (Funds received, but not yet deposited to a bank account)	11,178.94
<b>Total Other Current Assets</b>	109,819.75
<b>Total Current Assets</b>	3,837,994.53
<b>Fixed Assets</b>	
Accumulated Depreciation (Accumulated Depreciation)	-3,400,183.71
Autos and Trucks (Autos and Trucks)	49,174.08
Buildings (Buildings)	37,918.05
Golf Course Upgrades (Golf Course Upgrades)	27,939.69
Land (Land)	900,953.15
Machines and Tools (Machines and Tools)	217,755.21
Marina (Marina)	4,555,166.54
Office Equipment (Office Equipment)	4,165.13
Roads (Roads)	379,620.03
Vessels (Vessels)	1,367,413.88
Water Improvements (Water Improvements)	403,185.88
Water RO/Treatment Plant (Water RO Treatment Plant)	958,568.53
<b>Total Fixed Assets</b>	5,501,676.46
<b>TOTAL ASSETS</b>	<b>9,339,670.99</b>

2:24 PM  
12/15/20  
Accrual Basis

Hat Island Community Association  
**Balance Sheet**  
As of November 30, 2020

	<u>Nov 30, 20</u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	3,173.78
<b>Total Accounts Payable</b>	<u>3,173.78</u>
<b>Credit Cards</b>	
Chris Inman CC # 6020	1,505.09
Heritage Master CC 2381	819.58
Office Credit Card Visa #4926 (hatislandduan)	1,148.25
Raymond Brown Credit Card #6699	-15.36
<b>Total Credit Cards</b>	<u>3,457.56</u>
<b>Other Current Liabilities</b>	
A/P Clearing	5,116.67
Deferred Income (Deferred Income - Annual Asse)	799,860.50
Donations Payable - Unfunded Pr (Donations Payable - Unfunded)	2,503.06
Interfund Payable - Due to Rese	25,868.28
Payroll and Payroll Taxes (Payroll and Payroll Taxes)	-14,634.10
State Excise Taxes (State Excise Taxes)	-6,490.95
<b>Total Other Current Liabilities</b>	<u>812,223.46</u>
<b>Total Current Liabilities</b>	<u>818,854.80</u>
<b>Long Term Liabilities</b>	
Deferred Income - Marina (Deferred Income - Marina)	264,486.10
Heritage Ferry Loan 2020	673,971.35
Loan Payable - Marina (Loan Payable - Marina)	513,302.18
<b>Total Long Term Liabilities</b>	<u>1,451,759.63</u>
<b>Total Liabilities</b>	<u>2,270,614.43</u>
<b>Equity</b>	
Equity - Donated (Equity - Donated)	807,469.00
Opening Balance Equity_QB (Opening balances during setup)	-188,583.64
Retained Earnings (Undistributed earnings of the corporation)	5,729,823.43
Net Income	720,347.77
<b>Total Equity</b>	<u>7,069,056.56</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>9,339,670.99</b></u>

2:24 PM  
 12/15/20  
 Accrual Basis

**Hat Island Community Association**  
**Profit & Loss**  
 November 2020

	Nov 20
Ordinary Income/Expense	
Income	
Administrative Setup Fee Income	400.00
Annual Assessments & Fees Incom	2,591.06
COMMUNITY INCOME	12,455.18
WATER INCOME	21,046.28
Total Income	36,492.52
Cost of Goods Sold	
COS - Diesel	189.39
COS - Gas	1,170.69
COS - POE - Ferry Berth Rental	1,515.49
Total COGS	2,875.57
Gross Profit	33,616.95
Expense	
Administration	2,178.01
Insurance (Insurance)	9,527.65
Interest Ferry Loan	1,748.37
Legal Expenses (Legal Expenses)	4,675.25
PAYROLL - LABOR	37,658.10
Professional Services	1,005.16
REPAIRS & MAINTENANCE	2,160.10
Supplies and Consumables (Supplies and Consumables)	14.32
Taxes (Taxes)	1,015.27
Telephone Expense (Telephone)	737.32
UTILITIES	2,653.33
Total Expense	63,372.88
Net Ordinary Income	-29,755.93
Other Income/Expense	
Other Income	
Reserve Revenue (Other Income)	83.20
SPECIAL PROJECTS - DONATED INCO	4,000.00
Total Other Income	4,083.20
Net Other Income	4,083.20
Net Income	-25,672.73

**Protocols for Visitors to Hat Island**

For the purposes of this policy, a “**visitor**” refers to a person visiting Hat Island without a property owner being present on the Island during the duration of the visitor’s stay. Long term renters that have paid the \$1200 annual user fee are not considered ‘visitors’, per this policy.

- All visitors will check-in at the main office within 4 hours of arriving to the island, **each time they visit the island.**
  - If the office is closed, a visitor sign-in sheet is available outside of the office. Each visitor must complete the sign-in sheet, putting it into the office’s mailbox.
- All visitors will be provided the Hat Island Visitor Guidelines (“Guidelines”) before or upon check-in. Each visitor is required to sign the Guidelines acknowledging that they have read and agree to follow its provisions. **The signed agreements must be returned to the Office within 4 hours of arriving to the island and will remain on file for one calendar year.** Visitors must renew yearly.
  - The Guideline will include:
    - Directions for calling 911,
    - Rules regarding vehicle speed, recycling, children on vehicles, golfing, marina access, fires, etc.

Failure to sign and follow the Guidelines may subject the property owner to fines.

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Visitor Names: \_\_\_\_\_  
\_\_\_\_\_

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MAIN CONTACT Number \_\_\_\_\_

House/Lot where

you will be visiting:

---

Name of Owner

Division/ Lot Number

Dates Visiting: \_\_\_\_\_

\_\_\_\_\_



Arriving

Departing

I have read and received a copy of the Hat Island Visitor Guidelines:

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Main Contact

Phone Number

DOC A

IN CASE OF AN EMERGENCY:

If you have an emergency while on the Island please call 911. Inform the dispatcher that you are calling from Hat Island in Snohomish County, and give them your Division Number and Lot Number.

Getting Around Hat Island:

If you have a vehicle, including a car/truck, ATV, Golf Cart, etc., please note the following:

- You must be a licensed driver to operate a motor vehicle on the island.
- Please adhere to safety rules. No standing on golf carts, riding in buckets on the front of ATVs.
- The speed limit is 5 mph in the marina and on the hills. During the winter/wet months the speed limit is 15 mph. In the summer it is 15 mph or less.
- Obey traffic signs. For example, you must stop your vehicle at stop signs.
- Don't assume you are the only driver out there.

Recreational Fire Rules (see attached):

- If recreational fires are allowed during your visit (see the fire sign at the top of Marina Hill), the fire must be in a designated firepit. You must have a water source next to the fire. This can be a functioning water hose that is turned on or a 5-gallon bucket of water. Fires must be out at sundown. Extinguished fires must be cold to the touch, so use plenty of water.
- If the wind is blowing your smoke towards another home, you must extinguish it. You cannot smoke out your neighbors.

Recycle and Garbage:

- There is no garbage pick-up on Hat Island. You must take your garbage off of the Island when you leave.
- We have a recycling station near the fire department. Please follow the guidelines on the dumpster. For example, paper products and plastic garbage bags are NOT allowed in the dumpster.

Be respectful of your neighbors!

- This Island is our home. Please be respectful of neighbors. Be quiet after 10:00pm and before 9:00am.

Golf (see attached):

- You must fill out a player envelope, inserting your form of payment in the envelope and place it in the yellow marked payment box at the golf shack on the first tee. You must also fill out the register located on a clip board in the same area.
- Only 2 people per golf cart.
- Children must be accompanied by an adult.

DOC A

Pets:

Hat Island is a dog friendly community. Well behaved dogs may be off leash while on the island and under the supervision of their owners. However, the following rules do apply:

- Dogs are not allowed to run loose, outside of the owners' supervision and control.
- Dogs are allowed on the golf course under owner control in low use hours. Dogs contained to golf carts are permitted. Dogs may not disturb golfers in any manner.
- Dogs must be muzzled and leashed when riding the community ferry. Dogs must ride on the upper deck of the ferry or in a carrier in the luggage area. A leash is required on the docks while the ferry is loading and unloading.
- During any community event, dogs attending must be on a leash.
- Sick or injured dogs should be confined.
- Dogs that are demonstrably aggressive when unprovoked must be kept leashed or otherwise confined.
- Owners are responsible for any damages caused by their dog.
- Owners are responsible for cleaning up after their dogs.
- All dogs of guests and renters are allowed on the island, and the above rules apply. Owners are responsible for ensuring their guests and renters are aware of these rules.

In the event these rules are violated, the following penalties will apply:

- A warning for the first offense and a \$50 fine for any subsequent offenses.
- Where aggressive behavior is exhibited, a warning will be given for the first offense and for any additional offenses, Animal Control will be notified within 24 hours.
- Any dog that presents a danger to person or property will be banned from the island.

## Community input:

Everett, WA  
December 8, 2020

HICA Board of Trustees:

Please consider our request to stay aboard our 43' Pacific Trawler in the Hat Island Marina during the build of our new house on Lot 49-B Whidbey Island Drive in 2021. All building permits are in place as of this month, and Chuck Bright is our builder. We would expect to start by January and Chuck tells us it could take as much as a year for completion. Hopefully, it's sooner rather than later.

We currently stay aboard in the Port of Edmonds (and likely would retain that slip until March or April, but do want the option to stay in Hat Marina as needed during the entire build starting in January 2021.

We very much appreciate your consideration and are looking forward to being a closer part of the Community!

Gary & Bari Spesard  
703-599-7085  
[baybari42@hotmail.com](mailto:baybari42@hotmail.com)

Comment by Sharron Meadows

**From:** BillandSharron Townsend <billandsharron@gmail.com>  
**Sent:** Saturday, December 19, 2020 11:38 AM  
**To:** Hat Island Office <hioffice@hatisland.com>  
**Subject:** Building & staying on boat

When we built our permanent house here on Hat we had our slip in Everett & came over a max of 4 days at a time.

We started building in the Spring & our building continued through the Spring if the next year.

Pump out is a big concern, necessitating leaving the marina.

With marina capacity near full most of the year, slips for that size vessel is very limited.

Please Board members do not open any new loopholes. 14 day limit should apply to everyone

Sharron Meadows A-24

Discussion:

Question of capacity in the marina for large vessels

Bathrooms are still closed and no water on docks for winter period

Should there be a time limit?

Dan asked question about construction period, answer was 1 year plus

Other owners already showed interest in doing the same

**Q: Do we have insurance for Live aboard in the marina?**

Construction would start in January

Bari pointed out, that Port of Everett does not allow new Live Abords; same info Udo had.

Adrianna van Elswijk A-5, showed interest in this subject particular subject and urged the Board to recheck all the papers and documentation of the island for content and correctness.

Request was tabled until we find an answer from the insurance company.

To the Hat Island Board:

Thank you for letting us use the picnic area for our weekly community church. Also thank you for approving the church's installation of the curtain to enclose the pavilion picnic area.

We are hoping that the curtain will be of great benefit to the entire community.

As the island observes the restrictions of the governor, we feel there are still opportunities for outdoor community events (required by the restrictions) if there is a curtain. The small church has contributed a large amount for the purchase of the curtain. If the curtain is to be fully functional for outdoor activities, proper mounting brackets are needed. The cost is approximately \$1000. We, not the church, feel called to ask for additional contribution from the board to cover, or help cover, the cost of the mounting brackets. If this is not possible at this time, perhaps a call to the community for donations could be made. We are confident that this curtain, properly installed, will help the community.

Thank you for considering Linda and my request!

Larry and Linda Bender

Dec. 14, 2020

Discussion:

- Kurt: in general, is there a liability issue? Postponed to Executive session

Comment by Sharron Meadows

- **From:** BillandSharron Townsend <billandsharron@gmail.com>
- **Sent:** Saturday, December 19, 2020 9:40 AM
- **To:** Hat Island Office <hioffice@hatisland.com>
- **Subject:**
- 
- Dear Board,
- 
- My concern is with the church being named as the "Hat Island Church". This is being misconstrued as an organization/part of HICA which it is not a chartered or a sanctioned Committee.
- 
- I'm certainly not against any religion & am a lifelong member of a Methodist Church.
- 
- As individuals and not under HICA organizational guidelines participants can meet as they chose. However, with covid regulations and that the Board has gone to great lengths to adhere to state guidelines, there should absolutely be no confusion that the church is a group of individuals gathering & NOT SPONSORED BY THE COMMUNITY.
- 
- Please take the name issue into consideration and possibly talk to the group involved. Also, there has been discussion and questions regarding the usage of the common area. All private parties, weddings, etc have to reserve and pay for the usage of the pavilion.
- 
- Best regards,
- 
- Sharron Meadows A-24

Erik questioned how the area is used?

Answer First come, first served, or by reservation(fee?)

Kim: People use the area for camping and to cook their food

Erik: HICA has to make sure, that the church is not affiliated with HICA

Darla: Campers only pay fee, if it is a large group, like Boy Scouts

**REQUEST FROM OWNER TO DISCOUNT JOINING FEE-** We had a resident of the island (N beach) email and inquire to the cost of joining the community in regards to a lot he owns in Div. X. I explained that it was \$5,000. He would like the board to consider his offer of \$1,500. I explained that the price was brought down by 20% since he first inquired in 2018 and that we recently had an owner agree to the \$5000 cost. He asked if I would present this to the board and I agreed.

Please note that the owner wanted to know what \$5000 got him. My response was that the lot and its owners become members of the community and have access to use the marina, roads, amenities and should they build access to water. I know from a call I received that the owners offered the property in a trade and because it wasn't part of the community the trade didn't go through. That is why the cost is fair. To offer it to whom for less than a third of the price paid for our most recent lot joiner would be a disservice to them and the community as a whole.

Udo said, \$5000 is a bargain for what the island offers

Motion to remain at \$5000 by Dan, Udo seconds, All YES

Community comment:

**From:** Chuck Motson <cmotson@outlook.com>

**Sent:** Saturday, December 19, 2020 11:53 AM

**To:** Hat Island Office <hioffice@hatisland.com>

**Subject:** joining fee

Kim; the joining fee is the sum of all the past special assessments Udo mentioned, \$5000 is the current level.

Motion to adjourn to Executive session at 12:55 by Dan    Seconded Eric    All Yes

The Board reconvened after the Executive Session at 1:56 PST

This was necessary, because in Executive Session, we had a discussion what the island should / could offer the Tulalip Tribe for the usage of the easement on their property to bury the new cable for the community. Several items were discussed and we came to the conclusion, that 3 different votes were required.

PUD had offered in a previous conversation with the Tribal Advisory Committee a lump sum of \$60,000 for the use of the easement, were the cable would be buried.

Such a sum, or any other financial agreement would be added to the overall cost of the cable project, which the island is paying over a period of 50 years. The cost at that \$ level is about \$4 per year per electrical hook up.

The Tulalip Advisory committee had rejected the offer and made it clear to the PUD Reps, that the tribe would rather see certain gestures from the Hat Island Community instead of just cash.

Gestures the Tulalip Advisory Committee mentioned, were as follows:

Motions, to be considered were:

- 1. HICA donates a non-buildable lot on the beach next to the 4 lots the tribe already owns; value \$2,500 and currently owned by HICA or a lot on top, which could be \$10,000
- 2. PUD / HICA would pay the assessments on the 4 Lots the tribe already owns for e.g., 5 years, cost \$4,800, if a lot would be added total would be \$6,000 (added to 50-year loan)
- 3. provide an area of 5x5 feet for the tribe to put up an informational kiosk were the cable enters Hat Island and provide the tribe with a positive letter

A vote is required for decisions, which are prepared in Executive session.

So, we did and voted on the 3 items:

Motion 1: Darla moved, Dan seconded, 6 Yes votes and Erik voted No

Motion 2: Dan moved, Aimee seconded, 6 Yes votes and Erik voted No

Motion 3: With the stipulation, only the size of the Sea lion signs in Everett

Dan moved, Aimee seconded, 6 Yes votes and Erik voted No

After all of this was done, Erik stated that he wanted to explain, why he voted No. He told the board, that according to Article 3 Section 1, the Board cannot authorize a sale; it must have approval of the community to sell or give away property!

After that announcement, which we were not aware of, further discussion was held and it was decided, that we change our approach to offer the tribe the 5-year assessment offer and the Kiosk.

If the Tulalip Tribe doesn't accept our offer of the kiosk and 5-year assessment waiver, we would offer the \$2,500 unbuildable lot adjacent to their other lots, but only with approval by vote from our community.

Udo motioned and Darla seconded, 6 Yes votes and Eric voted No.

The following announcement was also made:

The Board wants to offer Health Insurance for our fulltime employees; Dan and Kurt will investigate with the Finance committee after the Holidays.

Motion to adjourn by Kurt, seconded by Darla and All voted Yes.

Respectfully submitted

Udo Gerz

These minutes are not intended to be a verbatim report, but do include all actions taken by the Board of Trustees.