

1/16/2021 Hat Island Board Meeting Minutes

President Darla Younce called the Zoom Community meeting to order at 10:30 AM PST.

Present: Darla Younce President, 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 asked to approve the minutes from the 12/19/2020 Zoom Board Meeting

Paula moved, Aimee seconded and All voted Yes

President's Report

- **Our meeting with the Tulalip Board of Directors and PUD was cancelled due to power outages from the storm. We look forward to meeting with them soon to ensure the cable project can move forward.**
- **I am looking forward to going to Port Angeles with Shane & Kyle to sign documents and get delivery of our new Ferry Friday January 14, 2021, as of this reading I am returning from Port Angeles. Shane along with Kyle are bringing the new Ferry to Everett. They intend to do a drive by the island sometime today.**

Darla reported, that she went to Port Angeles for the final signatures, acceptance and payment of the New ferry. She further announced, that the new ferry will come by the island in the afternoon and that there will be a Christening Ceremony on 23. January 2021 in the Hat Island Marina at 10:00 Am PST. All community members are invited and an opportunity to tour the vessel will be following the ceremony.

Please social distance and masks are required.

Darla thanked the vessel committee and prior boards for accomplishing this important project.

Also, a recent development is, that the PUD / Tulalip tribe meeting is scheduled now for 19. January 2021.

LEGAL:

COMMUNITY UPDATE:

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 is expected late this month or next but it could be longer.

HICA Foreclosure Actions: As previously reported, Surowiecki filed a motions asking the Snohomish County Superior Court and the Washington Supreme Court to stay the foreclosure case pending outcome of his other case. The Snohomish County Superior Court granted the stay but has required Surowiecki to post a bond in the amount of \$1,500,000 as security. Surowiecki filed a motion for reconsideration in that case, but the motion was denied. The Washington Supreme Court also denied Surowiecki's motion to stay the foreclosure. This being the case, we intend to move forward with the foreclosure suit unless he posts the \$1.5M bond. The bond, if Surowiecki elects to post the bond, will stay in place to pay any judgment against him in the foreclosure case.

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 Manager's Report

Happy New Year! 2021 has started off busier than ever. Two new houses were barged over last weekend and when the weather dries out will be moved into their permanent homes in Divisions K and B. In the meantime, they will be temporarily stored on a lot in Division A whose owner has given them permission to store them on.

Thank you to all who've paid their fourth quarter assessments and have been sending in their 2021 assessments and moorage. We continue to focus our efforts on making sure that all owners are current in their assessments and if they've fallen behind, helping them get current. If you need help getting current on your assessments, please call the office and we'd be glad to help you.

The New Ferry should be stopping by the island today on its move from Port Angeles to Everett. Once in Everett it will complete its last few inspections, receive a couple of finishing items needed and will be ready to start ferrying owners in February. The Hat Island Ferry: Another Holiday is scheduled to be christened on Hat Island January 23, 2021 at 10:00am. We are looking for a way to stream the ceremony and will keep everyone updated.

It's been a rough start to the year with heavy rains and winds. The roads have taken a beating, including the hill going into Division N. The area affected by the rain, on the Division N hill, cannot be repaired at this time due to the saturation of the road. The road is passable but as always, we ask owners to proceed with caution.

We are excited to be welcoming the new ferry to the island. It is currently in transit from Port Angeles to Everett as we speak. We will be christening the ferry next Saturday, January 23rd at 10:00am on the island. The ferry will be open for a walk around after the christening until 12:00pm.

Kim thanked the community for the donation received for the employee fund and that Thank You cards have been send to the donors.

She also thanked Staff and all the community volunteers for helping cleaning up the island, roads, golf course, etc.

A new fresh year! Take a deep breath and know that 2021 will be the fresh start we all need.

Treasurer's REPORT (by Kurt)

Treasurer's Report for January 16, 2021

- All payables are current and we have added another round of funding to the Capital, Marina and RO reserves. We now have a total of \$907,070.27 in our reserve funds.
- The final payment was sent to Brix Marine for our new ferry! The loan will now convert to the regular terms.
- The Finance Committee has asked for a yearend report and is evaluating staffing pay scale & looking into possible benefit packages. They are also looking to create other reserve funds to better break out our specific needs. Thanks to all on the Finance Committee for their hard work.
- Detailed P&L and Balance Sheets will be posted on-line for your review.
- All payables are current & we funded another round to Capital, Marina & RO reserves.
 - Capital Reserve: \$442,997.23
 - Cash Reserve: \$258,163.93
 - Marina Reserve: \$120,225.82
 - RO Reserve: \$85,683.29
- Kim and her staff continue to pursue delinquent accounts which will always be applied to the Marina Loan.

Water Update 1-8-21 (by Erik and Chris)

Water produced in Dec:

| | Dec | YTD |
|--------|---------|-----------|
| Wells | 229,020 | 3,438,678 |
| RO | 72,500 | 1,024,300 |
| Totals | 301,520 | 4,462,978 |

During Dec the Wells and the RO performed as expected.

The production from this period was 10% less than Dec of last year. The water mix was 75% wells and 25% 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 did have 1 issue with a Siemens Pressure gauge failure and the supposed repaired back up was actually unrepairable but we were able to get a different replacement gauge from case that will work.

We are working with PUD to get more diesel delivered in Feb.

Social Committee Report (Paula and Lori)

2021 Hat Island Beach Cleanup Challenge - January 1-31, 2021

The Social Committee would like to invite you to join us in starting the new year off with a clean slate, or rather a clean beach! All throughout the month of January we encourage beach walkers to collect all the trash you see on our beaches and drop it off at one of two collection sites. There will be a "corral" at the pavilion area near the beach access and a bin located at Conwell Park. We will be quantifying our collection and reporting to ocean conservancy what we've gathered, so PLEASE don't add your personal garbage, just the flotsam you find. As a fun bonus the Social Committee will be giving an award for the most unusual item picked up, just snap a pic and email it to HatIslandSocialCommittee@gmail.com. After January 31 we will announce the winner along with other unusual finds and the total trash gathered by our collective efforts. This is an "alone/together" event, please participate on your own time and practice safe COVID guidelines.

Stewardship is so important. Not only do we want to keep our beautiful beaches clean, we're also clearing our waters and our critical shoreline habitats. Did you know... 3,000 species of marine invertebrates inhabit the Salish Sea with MANY living on our shorelines. Sand lance, common on all sides of the island, spawn in the high intertidal sand and gravel, and are an important food source for juvenile Chinook salmon—who in turn feed the orcas and us! And the eelgrass, established on many of our sandy beaches, is key to the food chain and provides habitat for herons,

shorebirds and marine life. Thank you for keeping our island clean and participating in the Hat Island Beach Cleanup Cha



Safety Committee Report (Paula)

The Safety Committee would like to make sure our residents, old and new, know what to expect when they hear Hat Island sirens. Sirens repeating over and over is a warning of either a fire or a tsunami, which in our case would obviously be a fire. In that event all residents are advised to head to the marina or shoreline, avoiding the area burning if possible. Additionally, while somewhat archaic, we encourage our neighbors and friends to be aware of who is on the island in their area so that they might be warned in such an emergency. Neighbors helping neighbors!

Please take note of the Fire Drill Days on every third Saturday of the month you will hear the siren as well.

Announcement (not HICA business)

Udo (not as board member, as a customer of the Everett Marina) reported, that after he negotiated with the Port of Everett, that the announced fee for Permanent Hat Island residents, who are also slip holders in the Port of Everett has been waived by CEO Lisa Lefeber and Marina Operations Manager Jeff Lindhout for the Year 2021. Talks are still ongoing what will be done in 2022. If you have any comments, please send to ugerzhatisland@gmail.com.

Community input

From: BillandSharron Townsend <billandsharron@gmail.com>

Sent: Saturday, January 16, 2021 10:37 AM

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

Subject: Thank you

Dear Board of Directors, Island Manager, & Office Staff,

Thank you again for the wonderful & very user-friendly reservation system. This is a great addition!!!!

Good going!

Sharron Meadows A-24

The Board thanked Sharon for her email and statement; Kim pointed out that our Thanks is going to Craig Harris, who found this system and adjusted it to our needs and requirements.

A Big THANK YOU to Craig Harris was expressed by Darla and the Board joined.

Letter from Sandy Bettencourt received per Email 1/16/21 at 10:36 AM

Dear Board of Trustees:

I am concerned about the clearing of lots on Hat Island especially bluff lots. This has accelerated over the past year.

I think there should be some information to new owners once they buy their lots about their responsibility to follow county requirements for clearing. This is especially important in slide or critical areas which most bluff property is. I would like to see the management via Board provide information regarding required permitting prior to clearing their lot. Geotech reports and other permits are important especially in determining setbacks when they apply to the ACC for a building application approval. By then the lot may have already been cleared without permitting.

Now that we have more people than ever buying lots on Hat Island this has escalated. Many owners have not educated themselves on requirements by the island or County on what is required. People who hire out to clear lots do not seem to be educated on the requirements either. If they are, they are not asking owners for documented approval from the County/Fish and Wildlife. A perfect storm for problems with water runoff, habitat management requirements, and or slides (especially bluff properties) are at the island's doorstep.

The discussion from some owners is that they are getting information from fellow owners who say they did not get permits. Owners then see that feedback as the green light to do whatever they want. This

should not be the case. There are specific regulations/rules from the County in regard to clearing and permitting that are required. This also includes Department of Fish and Wildlife (yes even on high bluff lots). Because the County or other agencies cannot react to a violation on a timely manner it should fall to us to halt activity until proper permits have been obtained.

I totally support our right to develop our lots, however we do need to do that according to the county and island requirements in critical areas. Just because people have not gotten permits in the past does not prevent the BOT from creating policies around this issue. Policy and guidelines need to be developed and mailed to owners and posted on the website. Violations to this could possibly be subject to a fine system (which does not include the existing fines that can be levied by the County or Fish and Wildlife).

Board, If you have not driven around the island lately please do, so you can see the amount of clearing occurring on Hat Island. If possible, please make sure our policies are communicated clearly using various communication media so owners are better educated on their responsibilities. I believe it is an Island Management responsibility to address this activity instead of owners being pitted against owners for development concerns.

Sincerely, Sandy Bettencourt J-19

Meeting was adjourned to Executive Session at 10:55 AM PST with Paula moving and Kurt seconded

Back in open session at 2:51PM PST

Darla announced that there are no announcements and that the New ferry will be in the Hat Island Marina within one hour.

Motion at 2:53PM PST to adjourn by Paula, seconded by Dan 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.