

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

October 16, 2021
ZOOM and In Person

Attendees:

Paula Bafaro- President	Virtual
Dan Jensen- VP	Virtual
Don Stark- Treasure	Virtual
Kelly Dukes- Secretary	In person
Erik Smith- Trustee	In Person
Aimee Chambers- Trustee	In Person
Ray Stephanson – Trustee	Virtual
Kim Gleason- Island Manager	In person

Call the meeting to order at 10:33am

Approve the Draft Minutes of Meetings held in September and October

Paula: Announced change of the agenda to allow the Finance Committee presentation to go first due to full agenda. Also intended to approve minutes from September 25, 2021 and October 2, 2021 meetings, but the September minutes are not yet available. We are asking for approval of minutes from the October 2, 2021 meeting.

Erik: Motioned to approve

Aimee: Second

All were in favor

Paula: First order of business is the Finance Committee presentation of the 2022 Budget, followed by community input.

Finance Committee presentation of proposed 2022 Budget

Alan Dashen: Thanked all the Finance Committee members for their hard work on the budget. Members include Kim Gleason, Ginger Harmon, Dan Jensen, Kurt Kassahn Cyndy Petrie, Don Stark and myself. I would like to thank Kim and Dan for the tremendous amount of work and effort that they put into the budget.

The most important message, there is no increase in assessments.

Group: All thanked the Finance Committee.

Dan:

As Alan stated there is no request for assessment or fee increases in the budget.

Reviewed the budget and income, adjusted to make it easier to understand.

Includes the amount of money we expect to receive in 2022 from assessments and excludes the payments we know we will not receive from the major lot owner, this is around \$320,000.

The payments that we do receive from the major lot owner goes towards the marina which is \$125,000.

Dan: Outlined the revenue we expect to receive from various fee-based services on the island. This totals approximately ~\$1,500,000.

Group discussion: Ensure we are looking at the page that shows what collectible income we expect.

Dan: This says assessments and payments. That is why when you look at the income statement it will not show payments toward the marina as income. The payments will show as a reduction in accounts receivable. This is based on the contract with the major lot owner. This agreement ends in the middle of 2023.

Dan: Expected expenses for 2022. Administration, labor, cost of goods sold which is the direct cost from selling fuel for the ferry etc. materials and supplies. Also included is interest paid on loans for the marina and vessel. This also includes the cash flow required to make the payments on our loans. That is a total outflow of \$1,444,000.

The difference in the revenue from 2021: In 2021 we booked revenue as income for 2 Paycheck Protection Program (PPP) loans that our Island Manager was able to procure. These 2 PPP loans totaled \$191,000 and have been forgiven. These sat on the books for a while as liability as we could not yet book it as income, and we did not want to use that cash until the loan was forgiven. The loans have now been forgiven and help to pay for our staff.

We have added a part-time employee to assist with maintenance. This was reviewed with the Finance Committee and the Board, and we believe this is a reasonable addition given the workload and the expertise in drainage the new part-time employee has.

Insurance rates have increased ~\$50,000. Due ongoing lawsuits we lost our insurer and had to secure new insurance. The new insurer not only increased our rate, but also our deductible increased.

Capital expense purchases:

We have been building our reserves in anticipation of replacing equipment that has worn out. New equipment purchases budgeted for 2022 adds up to \$234,600. We looked at depreciation and remaining expected life of the equipment, this is calculated and incorporated into the reserve fund to allow replacement of equipment. The reserve funds will decrease in 2022 as we replace old equipment but will recover reserves again over the next several years. Because we are overfunded on the cash reserve account, we can fund the gap. Bottom line, anticipated fees and anticipated operating requirements we are ahead by \$82,396. We have quite a bit of future needs with infrastructure.

Potential challenges in the future:

- We do not know the outcome of the Supreme Court decision. Until the Supreme Court decision is published it leaves us uncertain what to do with about the collectibles due from the major lot owner on the island. Understand that the Supreme Court made their decision right after the hearing and was working on how to provide the response.
- Inflation is hard to predict. While it is hard to predict we increased the fuel for the ferry by 10%

- Insurance coverage. Our old insurance company dropped our coverage, the new insurance company policy is more expensive and has a higher deductible. We have a new financial risk with the new lawsuit filed by the major lot owner. Unsure the suit will be covered by the old insurance (better coverage) or new insurance (higher \$150,000 deductible)
- Cash reserve requirements come from looking at 3 months of operating costs plus the lawsuit requirements.
- Pressure with growth/management
- Continuing issues with the pandemic that are unknown. We have gotten through this well so far, owners are paying their assessments and vessel usage is going well, but we don't know what is in the future.
- We don't know what will happen with the PUD. We don't expect an impact on the 2022 budget, but we don't know what the future will bring.

How to make the budget process better:

Includes tying books together, moving accounting to fully convert to the new system, which is almost completed. Using more conventional accounting procedures. Projecting future impacts and scenarios on our reserves. Don Stark is the Board Chair for the Long-Range Planning Committee (LRPC) and I believe that Paula is going to announce that Kurt Kassahn has accepted the Committee Chair of LRPC. Review of the Charter of the LRPC was recently completed and include the members of the Community Chairs as well as the Board Chairs. We will be asking the Committees to start taking ownership of budget requirements for their various functions to provide the Finance Committee input. They did that this summer and it helped in developing the 2022 budget. We want to continue to keep the committees involved in the budgeting process.

Inflation:

Finance Committee is analyzing the projections, looking at inflation impacts, new additions, and possible future requirements for assessment fees. When you look at inflation our assessments are steady. In order increase property assessments, it takes a vote from the community during our annual budgeting process. Adjustments to fee-based services are things that we can agree to in a monthly meeting based on Committee input. So, if there is an inflationary impact on one of these services we can respond. It does not look we need to do any fee increases right now or near future, but we will track inflation and respond as things evolve.

Office books:

Very happy with how the office has continued to work and track our financial reports. Opportunity to work on depreciation to ensure reports that are consistent and easy to read.

No current need for increased assessments- future TBD.

Open to questions from the community.

Scott Holte -G26

It would be helpful for the community on the lawsuit issues to have some clarification from the island attorney.

First, distinguishing between the Supreme Court case and the amount of money that Matt owes. Supreme Court option 1: Court will uphold Court of Appeals decision. If they do that, the case would be remanded to the trial court. Unfortunately, our trial court judge has died, so it will be a new judge to hear the case. It would be remanded to the Trial Court on one issue only. The way that the Court of Appeals decision is written is confusing. It may only be a question of law, which means it would not be before a jury, but we don't know that. Supreme Court option 2: They can reverse the Court of Appeals decision which means the Trial Court decision is then affirmed. In that Trial Court decision Matt was assessed almost a million dollars in attorney fees and costs. It is upsetting about our insurance company as they are going to get all of that. The only amount the community will get back is the \$35,000 deductible. I listened to the Supreme Court Case argument, and I feel they are going to reverse the Court of Appeals and affirm the Trial Court but it would be helpful if Jeremy (Island Attorney) to explain those options.

Second, in our foreclosure action, that is the community's action against Matt, for all the money he owes. I know it started out as 38 lots, I don't know if we are foreclosing against all of those lost at this point, but whatever it is, this counterclaim that he has brought is the same thing that is before the Supreme Court. Once the Supreme Court decision comes down, I would like to hear from Jeremy (Island Attorney) on this action. It should not cost \$150,000 to get that counter claim dismissed.

Dan: I believe in the legal report Jeremy has provided an update on the foreclosure. We have stayed that suit for a while so that the legal cases can be heard in order. The basic issue of the lawsuit is if the community and Board has the right to set the assessment fee structure. It does not make Matt have to pay us.

Scott Holte: That is right, that is a separate issue.

Dan: We have a long way to go to get the \$2,300,000 that Matt owes us. It increases by an additional \$320,000 every year. In the meantime, we are forestalling any legal action that will increase our legal expense. Keeping the legal actions and the decisions in order will help control unnecessary legal expenses. The problem with that as we know, Matt just keeps suing, that is part of his strategy. When he (Matt) sues we must respond and that costs money.

Dan: Zoom community meeting in the coming weeks to allow community input into 2022 budget. Pre-COVID-19 we used to have them in person in Everett and on Hat Island, but feel that Zoom is the right approach with the pandemic.

Don: Is it fair to say that today's meeting purpose is for Board concurrence to bring forth a budget to the community so that those meetings could occur? This would then give the community something in their hands to review.

Dan: Yes.

Paula: Any further questions about the budget?

Dan: We have not made a formal motion by the Board to approve the budget. We have previously reviewed the budget and made small changes.

Dan: Motioned to approve the budget as presented with changes made per today's presentation and bring to the community to review and approve.

Aimee: Second

Paula: All in favor:

Paula- Yes

Dan- Yes

Don- Yes

Kelly- Yes

Erik- Yes

Aimee- Yes

Ray- Yes

Paula: Motion passes.

Community Input

Sharon Meadows A24

Question: Is community input going to remain the first item on the usual agenda at general meetings, or has that been changed again?

Paula: We thought it would be helpful for the community to be able to review the agenda and provide feedback on the agenda before we discuss it. If the community likes that, we will continue with at approach, if the community does not like that, we can discuss switching it back to the end of the meeting. We thought it was to the community benefit to be heard before we vote on agenda items.

Sharon: Subject- Agenda Location of Community Input during monthly Board Meetings.

Dear Board of Trustees,

I do not remember at which Board of Trustees meeting the Community Input section was moved to the first item on the agenda. I tried to check but no minutes have been entered on the website for the month of September or the Oct 2, 2021 special meeting as of tonight Oct 15, 2021.

With this new agenda order a community member would have to listening and taking their own meeting notes to bring up their topic of interest or concern in Community Input ONE MONTH LATER.

When observing the Board in it's working meetings, if there is a "hot topic", a very concerning community issue, etc. DURING community input in real time would be the segment for comment, limited to 3 minutes for each person who wanted to speak. (Previously on some Boards there was a timer)

It would be extremely beneficial to the Board and the Community if more members attended in person, zoomed in, or listened by phone to the meetings. Our Board members spend an excessive amount of hours on meetings, Executive Sessions, as Board hairs on committees,

etc. all as VOLUNTEERS that we elected. The issues, policies, financial planning and budgeting, etc. affect all of us. As community members let's put in the time to at least pay attention.

Respectfully,
Sharron Meadows A-24

Erik: In your desire to get community input do you like it at the beginning of the meeting?

Sharon: No, I would like it a bit further on. I would like to be able to provide input after the Board goes over an issue, to allow community input real time. Instead of waiting then a month later at the next meeting coming back to the topic. What occurred over a month previous gets lost.

Paula: What if we offered community input at the beginning and the end. It would allow community to have their voice heard on a topic that is on the agenda coming up for a vote as well as at the end.

Erik: How about if we allow feedback at the beginning as well as prior to any major motion. I believe that Sharon is asking for real time interaction before we vote. So if we do it at the beginning it allows folks that did not attend a meeting to read minutes and provide input. Then if we have a major topic on the agenda before we vote we ask if there is any community input.

General conversation: Concern about length of meetings.

Don: As I recall the discussion was that we wanted to get the agenda that we are considering or voting on out to the community a week ahead of time. Then have public input at the beginning of the meeting before we voted on or took consideration for issues. This would allow the community opportunity to provide feedback. This appeared to be more beneficial than having the community input at the end of the meeting when we would be talking about things that just got adopted. That did not seem fair, so that is why we went this direction. Not sure exactly how to correct this.

Erik: I think as long as we get agendas out a week in advance, and they don't change then the community will have time to provide input on the things we are going to talk about. If we don't get it out on time/ changes then have an amended agenda, we could have community input just for that item.

Ginger Harmon: I think if you have a major policy that you are going to vote on you need to delay it at least a month. You discuss it and delay your vote for at least a month so that you can get community input. And then it probably should be at the beginning of the meeting. This is a Board meeting, not a community meeting you should be inputting to your Board members prior to this meeting but you can't do that if you don't know what is going on. When so many things are discussed in Executive Session the community does not know what is going on.

Ray: At the city of Everett, we allowed community input at the beginning of the meeting for items not on the agenda, 3-minute limit. For citizens that wanted to speak on items on the agenda they would sign up for that and again they would have a 3-minute limit. Suggestion that we could consider a similar approach.

General conversation: That is a good idea.

Erik: We could talk about it.

Dan: Perhaps we need to meet every couple weeks that would help to get meeting minutes out to the community for review. We have so much we are dealing with it is a lot to review just once a month.

Dennis Dearing A26

Want to discuss the ferry. Want to qualify that I am not a regular ferry rider, in fact last night was only the third time I had ridden the ferry. I have several comments, one on how the ferry is configured and second is comments I heard from new owners on the island.

Configuration:

Dennis: Will the Another Holiday door be addressed?

Kim: Yes.

Dennis: Good. It should not have been configured like that. Storage is muddled. 2 containers per person, one under seat and one overhead does not fit. Second container would need to be at least 7 inches smaller as there is a bar in the way. The other issue is seats that face each other, if you are traveling by yourself and that is the only seating available you are knee to knee, toe to toe with other people.

We need to think about how we better accommodate people bringing items to the island. If you are coming for 4 or 5 days two containers per person is not enough. I bring this up because a new owner came and talked to me because I have my boat for sale. They said we are going to buy a boat, there is no way we are going to ride that ferry. I imagine there are more people who feel the same. We should be worried that we will run out of dock space in the marina.

Erik: Was that owner's concerns about space on the ferry?

Dennis: It was the whole experience. They were here over a holiday weekend and ferry was full, space was an issue.

Dennis: We just came over last night and we had to figure out how to get our 4 containers back and forth because we are selling our boat. Maybe we should use a reservation system to account for how many containers you are bringing. If there is space allow to pay for extra items.

Kim: Agree good to re-work door. Reconfiguring the door will cost more than \$10,000 and requires a vote of the community. Had to add to 2022 budget for the required vote. Aware of problems with cargo and space limitations on the ferry. That is why we offer two cargo runs a month to help with larger Costco runs. I am sorry to hear that owner has a bad experience that ferry should be a pleasant experience, otherwise the marina will get full. We want the ferry ride to be a pleasant experience. I had never heard that feedback from a rider before, that they would not want to ride it again. We want it to be a good experience. Encourage community if they see something that is an issue to bring it forward so we can work on solutions.

Dennis: You need to think seriously about reconfiguration. It is about all you can do. You can't make the ferry bigger.

Erik: I thought we were under ferry capacity because of COVID-19. I have never ridden the ferry. Space is still a problem even with the extra seating?

General conversation: But you are not allowed to bring extra cargo and use that extra space.

Kim: I think what Dennis is trying to say is he is trying to follow the guideline on what you are supposed to bring on the ferry. A lot of people don't follow what they are supposed to be allowed to bring on the ferry.

Dennis: The exact measurement of the containers listed on the website as allowed to bring do not fit under the seat and overhead. You would then have to put your second container under someone else's seat. Now last night it was fine as the ferry was not full. If the ferry was full then we would have a conflict on our hands.

Dan: Doesn't seem smart that if we have extra space then we should be able to fit it. Should be able to bring extra bags if there is space. Use the ferry run if there is space.

Kim: On the ferry runs that have more space maybe we could sell an extra ticket to allow an owner to bring extra cargo. Not sure if we have the capability, I will have to look into Bookeo to see.

Erik: Update what size container can be accommodated.

Kim: I will update container sizes. Door will be updated as soon as budget is approved and per US Coast Guard guidelines.

Paula: Potential use Hat Island Ride share for people to say I am going on this ferry run with only a backpack, if anyone wants to use my cargo space they are welcome to it. People want to help their neighbors.

Wendy Wilson E38 Instead of redesigning the ferry, maybe selling this one and using the lessons learned from this one.

Dan: To get a bigger boat would have been extra \$2,000,000. And additional Coast Guard requirements. Analysis at the time showed that only 4-5 times year was passenger capacity/demand exceeded with the new smaller ferry. But much has changed since then, with COVID-19 more people are living on the island and have changed our ridership. Can work on solutions that will make this work better.

Paula: Vessel Committee to discuss.

Dan: Changes to the vessel other than the door are not in this budget, but we can look at that later if needed.

Chuck 34B: We can't hear, sounds like a private conversation?

Kim: looks like one of the speakers went out- working on fixing it.

Erik: Perhaps one speaker used as a boom mic lost blue tooth connection. Fixed now.

Dan: Send issue to the Vessel Committee. Possibility to reconfigure, and to look at policy on cargo and to consider revising the policy to allow people to bring extra cargo on runs that have low ridership.

Kim: Online feedback from community members on the Zoom chat on the recent discussions, “it would take another \$20,000” (to reconfigure the vessel). And other person said, “where is the Technology Committee when you need them?”

Sharon Meadows -A24

Subject: Oct 2, 2021 Special Board Meeting

Dear Board of Trustees,

Observing the Special Board meeting held on Oct 2, 2021, I was confused as to why the majority of the Board members were so compelled to change the existing policy regarding Executive Sessions and would now state that “the Island Manager WILL attend Executive Sessions”. The compromise word was “MAY” which was brought into the discussion by other Board members and would allow the Trustees to invite the Island Manager to any Executive Board Meeting they wished.

The policy of all prior Boards has been that the Island Manager attend Executive Sessions when asked to attend and for specific input. This policy has worked well for many years. Two exemplary former Board Presidents were in attendance and did verbally cite the existing policy regarding the role of Island Manager in regards to Executive Sessions. They were abruptly and disrespectfully cut off.

Why was the word “MAY” fought so contentiously?

For these members (the majority) desiring the change, “MAY” would have been the perfect COMPROMISE, and much better choice for future Boards.

Respectfully,

Sharron Meadows A-24

Erik: I was the one who wanted it to say may.

Dan: We discussed this in the open session extensively. The issue is the policy; we want her to attend and as written the default was, we would exclude her.

Community input:

Janita Jones Thurman community park- Lot KA plated in 1964

Kim: Lot KA was donated to the Island some time ago with the purpose to be used as a park. Link on the Hat Island website to video.

JJ Thurman: Sorry I could not be there in person.

Lots of island support. Community input suggested use of the park space (lot KA) as a non-utilized portion of the island instead of next to the Yacht Club better use of space and already allocated for a park space.

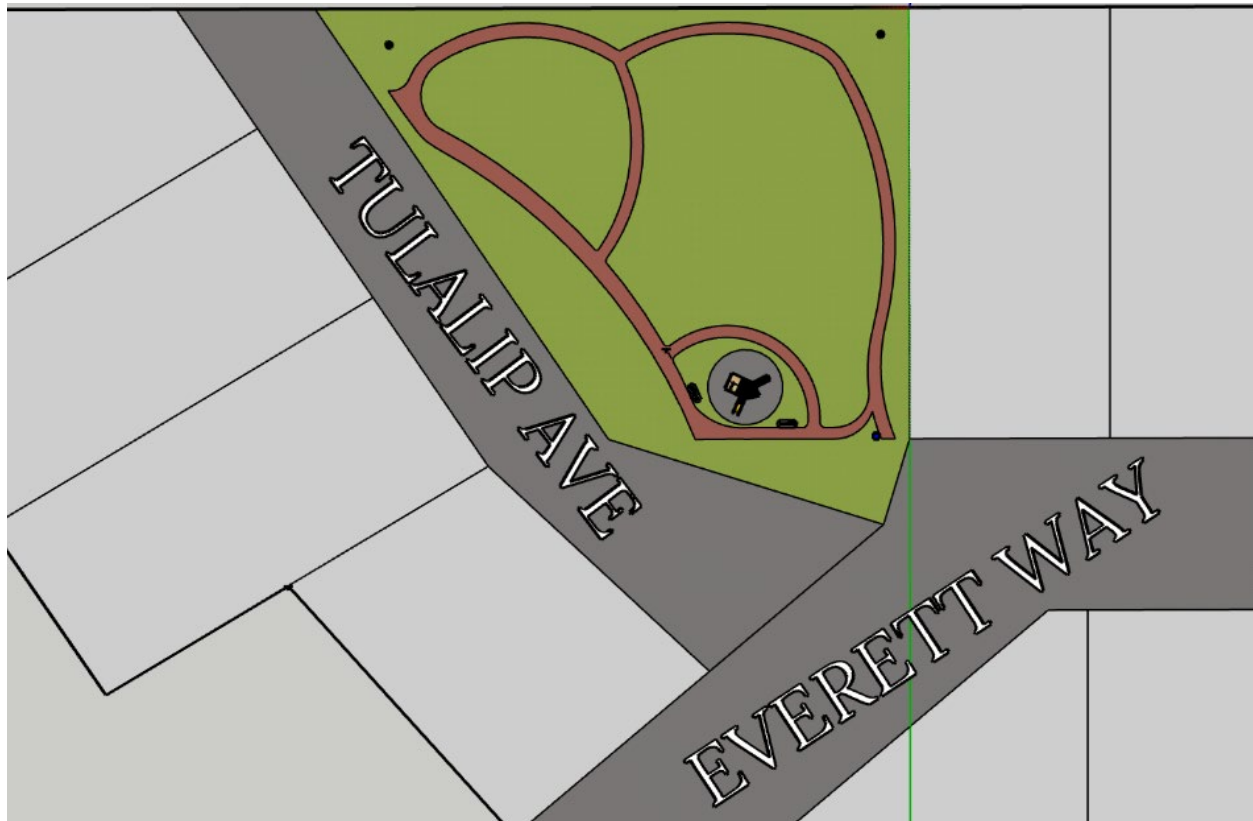
Community Park & Play

Lot K-A

Overview

Utilize an area of the island that is owned by the community and underused. Keeping the

integrity of the land and the green space. It also gives our growing island population additional places to explore and experience. The community has raised \$6,433.71 as of October 3, 2021.



NOTE: The site plan will not contain existing tree locations until a site survey has been completed.

Goals

1. Establish a new park on lot K-A, a designated park space owned by the Hat Island community.
2. Work with the existing trees and landscape by cleaning out undergrowth, weeds and fallen logs.
3. Enhance the area with two (2) Frisbee golf stands, two (2) picnic tables, benches, and a natural play area.
4. Construct a new Pirate Play Ship playground

Resource Overview

Land Clean Up - Community Volunteers

Frisbee Golf Stands - Donated by Chuck & Debi Thurman

Grass Seed - \$50/ Bag, would need 4 bags Total: \$200

Garden Foliage & Plants - Budget \$200

Natural Play Area - Utilizing any stumps, Wood Chips and natural resources available.

Community Blockbuster Movie Box - \$199 + Free Shipping

Complete Pirate Play Ship - \$11,500 <https://pirateplayships.com/dimensions/>

Paint Supplies - \$80/ 5 gallons of paint = \$160
Paint Services of Play Ship - Community Volunteers
Picnic Tables and Benches - If possible, utilize any existing natural resources on the lot that would otherwise have to be removed (i.e. any fallen trees)

Frequently Asked Questions

Where can I see the suggested park layout?

We've created an exciting trailer video that outlines the project, as well as a walk-through video to take you through the proposed layout

Where is Lot K-A?

Lot K-A is located at the South West corner of Everett Way and Tulalip Ave, in division K on the south end of Hat Island.



What is the current state of Lot K-A?

The official description of lot K-A is Hat Island Division K, Tract A - COMMUNITY PARK. This tract is currently unmaintained with the exception of Tulalip Ave which cuts through the property (there is not a road easement).





Who is building the Pirate Play Ship?

While we have had a few island residents offer to create a new structure, no plans have been submitted. After researching different options, we contacted Derek Hinckley of Pirate Play Ships for a quote for the complete build, which was reviewed by the Island Manager and Board President in April 2021 when the initial idea was presented to the island community.



Why are donations being collected?

In April 2021 it was collectively decided between the current island manager, board president, former social committee head and a community member that donations get the momentum growing and could potentially fund this project.

Who is responsible for maintenance?

As a property of the Hat Island Community is maintained by the community as well as the island maintenance team.

Why a Blockbuster Movie Box?

Hat Island is known as a community of sharing. We currently have a book library but not a space to share movies via Blu-ray, DVD and VHS. This not only gives us a place to swap movies for movie nights, it is a bit of history nostalgia.



Isn't there a Frisbee golf course being built on the island?

Yes! That is going into and around our golf course.

These stands will be more for people who do not want to commit to a full game, throw practice, and a place for our younger owners to try it.

Who's the target audience for this park?

Everyone! The park aims to be an inclusive place, with fun for all ages. As a walk destination, a great place for a picnic in the forested part of our island, and a place for youngsters to get their energy out.



Board Ask

We are asking for the board to allocate \$8,000.00 in the 2022 budget for completion of the Community Park Project Lot K-A. This amount, coupled with existing cash donations, and volunteer commitments, will ensure the completion of the project next summer 2022.

Chuck Thurman 34B Whidbey Island Way:

Hat Island Board of Trustees

October 2, 2021

RE: September 25, 2021 Board Meeting

Dear Trustees,

Although I am not new to Hat Island, I am a newer owner in the community and will be a full timer relatively soon. I do like to follow the goings-on within my community and I find watching Board meetings to be helpful in learning the ways of the community and its leaders.

In listening to the 9/25/21 special meeting of the Board I observed many things that concerned me. I bring the concerns to your attention as my observations and opinions – my learned opinions. I mention the items to be helpful in future meetings and Trustee considerations - not intended as criticism. In no particular order:

- Agenda:** a great agenda was prepared and followed in the most part. Discussion moved way off the agenda items and was not redirected back to the agenda for a long while. This led to the Board meeting on unannounced item(s) which occasionally happens but isn't supposed to occur.
- Snohomish County Planning** meeting. I don't recall any prior discussion on this. How did the Board decide to meet with SCP and how was it determined who would meet? Keeping transparency is omnipotent with building and maintaining trust with Boards. While I believe the need is important, we do have processes we should attempt to follow. Did I miss something here?
- Consider one Trustee speaking at a time. This Board has one member in particular who tends to talk over others as though there is authority. Our President has that authority and would do well to exercise one person speaking at a time. Perhaps this wasn't noticed with the Board but was very obvious to those of us listening.
- Augmenting Legal Counsel. I wasn't sure what to think here. A Trustee is concerned that current legal counsel is overloaded with work and may not have expertise in an area we need to know more. This went in quite an interesting direction and had trouble circling back. In my unsolicited opinion, many trustees demonstrate respect for each other and the skills you all bring to the table. You are all working for the same interests of Hat Island. Not all Trustees do demonstrate respect - and if it is difficult for you to demonstrate respect, please demonstrate professionalism for yourself and other Trustees.
- One of the most troubling items I observed was the discussion on who attends executive sessions. The answer is really pretty cut and dried. The Trustees and Legal Counsel. The Board can invite in others (whether on a permanent or temporary basis) depending on the topics being discussed. Regardless of personal belief, it is not automatic that the Island Manager is included in all meetings – in my experience it is Board choice.
- However, the most troubling part for me was when one Trustee mentioned an email sent to all Trustees that didn't include the Island Manager and another Trustee was going to forward that email to her. My concerns are that this doesn't build trust between Trustees, may breach a confidentiality between trustees, appears to violate current law (as stated in the meeting), and is just down right troubling. I would caution the Board to use email carefully. Sending informative email to all Trustees in one email is good, however replies to such email (to all Trustees)

may/can be considered breaching the law (if you have quorum) as you are holding an unannounced/unpublished meeting. Our attorney encourages using extreme caution with email to all Board members. This is similar to discussing issues when a quorum is present at public events or private gatherings.

Again, these are my observations and just that – do with them what you will. With time the Trustees will build on their relationships and hopefully trust each other differently and treat one the betterment of Hat Island and I applaud you for stepping forward to do so. I look forward to listening in on today's Trustee discussions.

Thank you,
Chuck Thurman 34B Whidbey Island Way.

Chuck: To add onto that we had a meeting several week ago in which we discussed public comment would be at the beginning of meetings. I wanted to speak (present this letter) but was told that I could not because it was a special meeting and not open to public comments. The problem was that another community member was allowed to speak for 15-20 minutes at that meeting and I was not. If we allow it for one, we need it for all. I outspoken, know I support you and all the work you are trying to accomplish for the community.

Lori Christopher: B39

File under random thought. Words have power- consider this:

The root word of division means to force apart, to separate and to distribute.

Conversely the word of unit means a single thing, regarded as a member of a group.

The Latin word root means oneness, sameness, agreements. Maybe in the spirit of COMMUNITY and collaboration as one island we should consider renaming our divisions and instead call them units.

Food for thought- thank you.

• President's report- Paula Bafaro

Good morning! With the beginnings of Fall, we see some winding down of the island heading into low season. But even though there may be less people on the island at any given time, there are still a lot of things going on.

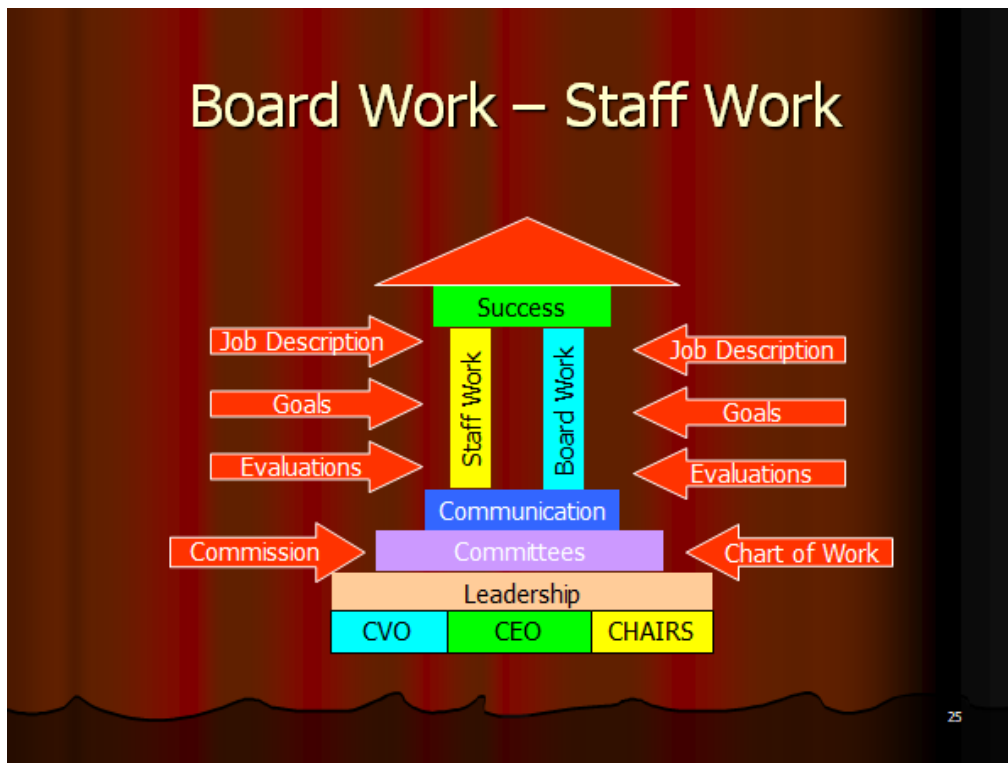
The Board met with the PUD this week to discuss our cable project, and PUD came to the meeting with promising news. PUD is focusing on a very viable easement option, while keeping a 2nd option in the background should we need it. We have scheduled a meeting next month to get updates on progress with regards to site studies, easement grants, and other progress made on the easement option. We will report on this as we have new information.

I wanted to point out that our Legal Counsel recently informed us that it didn't appear that Robert's Rules of Order were adhered to when had asked in a meeting for the motion to be tabled and it was not allowed. Our lawyer advised the board that the use of technical aspects of Roberts Rules to push through, deny or limit votes or discussion is a concern.

With that said, the board will be scheduling a training on Roberts Rules of Order, but would like to remind the Board of Trustees and community that our bylaws state in ARTICLE V, Section 6: Robert's Rules of Order, revised currently may govern all procedures of the Board of Trustees and of general community meetings, when not in conflict with these bylaws.

It is important to remember that members of the Board of Trustees for Hat Island come from a wide range of experience. Some have served on volunteer boards, some have never served on a board, some have moved here from other countries. The one thing all board members have in common is that they are volunteers. With that said, Robert's Rules of Order is a great tool and the BOT receiving training on it is wonderful, however, it should not be used as a tool against those with a freshman understanding of how they work. If Robert's Rules of Order are used to humiliate board members and as a way to deny them a voice in the process, then it may come to a point that the island sees good people not stepping up to volunteer and that would be a detriment to us all.

I would also like to bring out again the graphic used in Chuck Motson's board training, to illustrate the importance of the board and staff working together for a successful outcome.



New Parks and Recreation Committee

Paula: Recommendation of new Parks and Recreation Committee. We have had community requests to form a Parks and Rec Committee, I would like to ask for a motion to form this committee. We have a volunteer Board Chair, Community Chair, and two members ready to serve, with ideas already in place for revamp of our existing park lands.

Aimee: Motion to form a Parks and Recreation Committee

Don: Second

Paula: Any discussion? None.

Paula: Vote to approve.

Paula- Yes

Dan- Yes

Don- Yes

Kelly- Yes

Erik- Yes

Aimee- Yes

Ray- Yes

Paula: Motion passes.

Announcement of Committee Board and Community Chairs

ACC Committee

Board Members: Ray Stephanson and Erik Smith
Community Chair: **Sandy Bettencourt**, hatislandsandy@gmail.com
Committee Members: Tom O'Day, Bill Townsend

Equipment/Vessel

Board Chair: Aimee Chambers
Community Chair: **OPEN**
Committee Members: Udo Gerz, Rick Bennett, Craig Harris, Gina Jamison, John Gray
Staff: Shane Dunn

Finance Committee

Board Chair: Dan Jensen
Community Chair: **Alan Dashen**, alandashen@msn.com
Committee Members: Kurt Kassahn, Ginger Harmon, Cynthia Petrie, Don Stark, Kim Gleason

Golf Committee

Board Chair: Kelly Dukes
Community Chair: **Bruce Kolpack**, Bruce.Kolpack@gmail.com
Committee Members: Jerry Near, Larry Bender, Joe Ebner, Shirley Allen, Cheryl Pettersen, Staff: Brad Tinius

Governance Committee

Board Chair: Ray Stephanson
Community Chair: **Karen Conner**, littlekaren2008@gmail.com
Committee Members: Scott Holte, Jennifer Davis, Turie Holte, Sharron Meadows, Kevin Smith, Ross Johnson

Lone Range Planning

Board Chair: Don Stark
Community Chair: **Kurt Kassahn**, kassahnj19@gmail.com
Committee Members: Dennis Dearing, Bruce Kolpack, Tom O'Day, Kurt Kassahn, Kim Gleason

Nature Conservancy Committee

Board Chair: Dan Jensen
Co-Community Chair: **Steve Jefferies**, stephen.jefferies@cwu.com & **Laurie Gray**, laurielgray425@gmail.com
Committee Members: Scott Holte, Lori Christopher, Barb Holte, Lori Gray, Kevin Smith, Charlene Day

Marina Committee

Board Chair: Erik Smith
Community Chair: **John Gray**, johnlgray425@gmail.com
Committee Members: Dennis Dearing, Tom O'Day, Steve Jefferies, Bill Townsend, Sarah Lichfield
Staff: Barb Conwell

Parks and Recreation Committee

Board Chair: Aimee Chambers
Community Chair: **Jo Levin**, jomlevin@gmail.com
Committee Members: Sarah Litchfield, Janita Jones

Safety Committee

Board Chair: Paula Bafaro
Community Chair: **John Gray**, johnlgray425@gmail.com
Committee Members: Mike Worthy, Dave Chambers

Social/Marketing Committee

Board Chair: Paula Bafaro
Community Chair: **Lori Christopher**, lori@saloncreativegroup.com
Community Members: Kathy DeWitte, Jo Levin, Michelle Sayed, Merry Shropshire, Sharron Meadows, Laurie Gray, Gina Jamison

Technology Committee

Board Chair: Kelly Dukes
Community Chair: **Doug Fairleigh**, dfairleigh11@msn.com
Committee Members: Troy Bafaro, Tony Bafaro
Staff: Kim Gleason

Water Committee

Board Chair: Erik Smith
Community Chair: **Keith Litchfield**, ka.litchfield@frontier.com
Committee Members: Kim Gleason, Chris Inman, John Holte

Policy regarding Chickens as Emotional Support animals

An owner has submitted documentation from a medical professional stating that she is in need of a chicken as a support animal, and as chickens are flock animals, she should be allowed to have three. The board, after consulting with legal counsel and doing their own research,

determined that the owner followed the guidelines for emotional support animals, and so drafted a policy to minimize the effect these animals will have on their neighbors, as keeping chickens are in direct conflict with our CCRs. We received feedback from legal counsel on the policy drafted and he feels it is very good. HICA must respond to any request for accommodation, but each request must be evaluated independently. The attorney used our policy to create a letter to be given to any owner requesting a support animal not otherwise allowed in our CCRs, which lays out the requirements to keep these animals.

Fences and Land Clearing:

The island does not have a policy on fencing or land clearing. Moving forward it has become clear that there is a need for such policies. I would like to task the Governance Committee with writing a policy on fences and I would like the Nature Conservancy to work on a land clearing policy. It is important that we give owners clear guidance on these topics moving forward. I will forward to those committees the preliminary work and research that has been done on these topics so far.

ACC

The island has received a review of the ACC resolution passed at the August Board Meeting from our legal counsel. As a reminder, the resolution was passed 4 to 3 and was done with the caveat that the board would take legal feedback from counsel. We now have that feedback and there are a few items that do not comply with Washington Law, including:

- The authority to remove ACC members must remain with the HICA Board of Directors.
- The number of members needs to be established.
- Legal Counsel also recommended that paragraph 8 be revised to eliminate the language suggesting that the Board of Trustees has an obligation to 'cover all ACC members.' HICA ensures that its insurance policy covers committee members acting on behalf of HICA and the ACC should be treated like all other committees on Hat Island.

It is important that whatever policy/resolution we have in place with regards to the ACC that we are compliant with state law. One option we have is to go back to the passed resolution and make the appropriate adjustments to bring it into compliance. I would like feedback from the rest of the board on this matter.

Dan: I have comments. Besides the compliance issues with the resolution there were also procedural issues with how it was passed. I intended to make a motion but considering the feedback we were discussing earlier; it is important to give the community time to review motions and provide feedback prior to bringing it forward for a formal vote. I will submit my motion as a draft. And bring it back at the next community meeting and offer it as a formal motion.

Introduction

We truly need to establish and communicate clear policies regarding appointment and governance of the ACC Committee

The resolution passed in August has been reviewed by the Hat Island lawyer and been found to be flawed both as to certain specifics and adoption procedures.

This resolution was essentially written by the individuals currently claiming authorization to speak for ACC independence. Comments and edit requests from several trustees were ignored. The current individuals claiming membership on the ACC Committee have not established the authority that appointed each of them to the Committee. If Community input regarding changes to the appointment process of ACC members is desired (and I think it should be) , then comments and suggestions should be solicited from the entire community, not just a self-appointed few.

Much of the difficulty comes from trying to establish independence from the BoT while also having legal protection for their decisions by HICA insurance policies. The interesting thing is that the 1990 resolution explicitly address insurance coverage for sitting committee members – IF IT IS FOLLOWED

I believe we should be transparently guided by our governing documents because w, as a board, owe to the community.

A majority of the Community has indicated its desires, concerning Board management of ACC appointments, on several occasions. I believe this is the most important fact to keep in mind as I offer the following motion.

Motion (proposed for later discussion)

1. Rescind the August ACC Resolution due to procedural and legal issues
2. Affirm that the 1990 resolution is still in effect
 1. Given there is no CC&R direction on establishing ACC membership once there are no incumbents available to continue the chain of self-appointing new members.
 2. Given the silence of the CC&Rs on this matter and given the actions of the BoT in 1990 in establishing a process for BoT appointments to fill vacancies, committee size (3) , term length of the ACC appointments, and an appropriate appeal procedure of ACC committee decisions to the BoT.
 3. Therefore, the current GOVERNING Documents for ACC membership appointments are sufficient to support the continuing use of the 1990 resolution and 2010 Article 6, section 8 of the HICA by-laws.
3. Amend the 1990 resolution to add 2 voting members from the BoT to terms concurrent with their board terms to comply with current RCW and insurance requirements.
4. Stipulate that the 3 appointed ACC members may not be currently seated BoT members.
5. Clarify the clause in the 1990 resolution concerning board “removal of an ACC member for cause” to add “by a majority of the board”
6. Immediately call for volunteers from the community to submit applications for appointment to the ACC. Selection to be completed within 3 weeks from this date. Individuals currently claiming ACC membership are welcome to apply.
7. Request the Governance Committee (or an Ad Hoc committee for this specific purpose) be convened to review the 1990 resolution, the 2010 By-Law and the effects of this motion, for the purpose of providing further recommended changes to the process based on full community input if appropriate. Examples:
 - i. Should committee be 5 plus 2 instead of 3 plus 2

ii. Should process be formalized into a recommended by-law change to be offered for community vote

Paula: Any other Board input?

Erik: So it sounds like there was a resolution that was passed and agreed upon. Jeremy said that you had some redlines I suggest that we send them to the ACC and see if they accept them.

Paula: I don't mind sending that to the ACC, but it was more that there are items that are not legal under Washington State law not just suggested redlines. There may not be much wiggle room that can be allowed, but we can certainly send that to the ACC.

Don: I would have loved to read Dan's piece but instead of what I can recall. Dan, are you suggesting that this is a motion that you would like to have the Board entertain right now, or introduce now for consideration at a future meeting?

Dan: Correct (consideration at future meeting) resolutions of major concern should have a preliminary offering and allow time for community input and to consider before moving to vote. This is a major thing that I am offering up.

Don: For sure, you are essentially suggesting that we repeal in its entirety the vote that was taken to resolve the ACC conflict that has been going on for the last 18 months and start it over again. And that there are components of your proposal that the Governance Committee should look over. Erik has suggested that the ACC provide us with some comments. Tell me about the process as you see it to be considered for formal consideration.

Dan: It is not starting over. I would characterize the resolution passed 2 months ago as starting over. The 1990 resolution, I as discovered in the documents was never rescinded. We now know that the 1990 resolution was followed for 18 years. There is nothing that I have been able to discover in the CCR's that governs how you can reestablish self-appointments once it has been broken especially the way they did it with the resolution. That resolution was still in place. So all of this discussion is based on the false premise that there was something that had to be negotiated here.

Don: That was not my question. What procedure do you see the Board and the community going through to bring this back to the Board for a vote.

Dan: I am offering this as a draft. I will bring this forward in the November meeting for approval. I am giving everyone a chance to look it over and provide comments. As far as the Governance Committee, based on this motion, there is no reason why we would not rely on the 1990 resolution, supported by the 2010 bylaw to fill out the vacancies in the ACC. I believe we could turn it over to the Governance Committee or an ad hoc committee and let them review the current processes should be any modifications going forward.

Erik: The conversation has been with the ACC for nearly 2 years. I think we should send them what Jeremy proposes in his red line. I did not read his red line I read his email, and his email suggested something about removal of ACC members. That may or may not be acceptable to the ACC. I would rather keep that conversation going before we attempt to rescind what we agreed upon.

Dan: I have no problem with that, but also suggest that it goes to the community for their input.

General agreement.

Dan: I am not happy doing this.

Don: You put a lot of thought into it

Dan: When I got on the Board I committed to follow the rules. I believe those are the governing documents and that we spend 18 months discussing things that did not need to be discussed and spent a lot on unnecessary legal fees.

Legal Report

- Surowiecki WA Supreme Court case: We are waiting for the Supreme Court to issue an opinion. We cannot predict when an opinion might be produced. The community should keep in mind that the opinion could affirm the trial court's decisions in whole or in part or it could reverse the trial court and remand the case to Snohomish County Superior Court for further proceeding. The opinion is obviously very important to HICA and what is now years of litigation.
- Surowiecki Foreclosure: The parties are working through multiple discovery issues. HICA is adamant that it will not repeat the massive discovery productions made in the lawsuit that is pending at the Supreme Court.

Island Manager's Report

- It's OCTOBER!! I hope everyone is adjusting well to the colder and wetter weather! We've been working on a few areas of drainage that needed immediate attention including the road leading down to Division N and a portion of Saratoga Dr. Our next focus in that area will be the corner of Whidbey Island Dr and Cascade that floods every year during heavy rains.
- We are also happy to announce that a section of water line that has been turned off since the marina expansion will be returning to regular service this week. During the expansion one of the dump trucks hauling fill from the marina to above the sandpit went off the road over the water line. It was assumed at the time that the water line had been damaged, and the water was turned off. After years of letting it sit, Water Operator Chris Inman pressure tested the line, and it appears that there is no break. Water will be turned on this coming Monday.
- **Surplus Equipment Policy Discussion-** As our aging equipment comes to the end of its life on Hat Island there will be a need to take it off island. To do this properly a policy needed to be created to handle such equipment.
- I ask the board to move to accept the Surplus Equipment Policy as presented.

Policy highlights: Island Manger can dispose of Surplus property when the estimated value is less than \$1,000. Surplus property with estimated value of \$1,000 or greater required approval of the Hat Island Board.

Erik: This is for community property only- correct?

Kim: Yes. This is for property that has fully depreciated. Example: This came up because we have an old backhoe is at its end of life and we have replaced it. It was sitting and needed repairs. A non profit church group that would like to take the old backhoe and repair it and use it for a camp for children. I spoke with Dan and Don and they felt it was an appropriate use of this piece of equipment. But we all thought we needed a written policy.

Erik: What would we have done without this policy?

Kim: I don't know this is the first time I have encountered this issue. We could junk it, try and sell it, we could give it away.

Ginger Harmon: In the past they would have taken bids and if no bids you dispose of it.

Discussion: What items/property could be included. Abandoned property is included. For example, people move off island and leave a vehicle that does not run. That is why we ask for your title. Unclaimed property.

Don: Motion to approve the policy

Dan : Second

Paula: any further discussion? None

Roll call vote:

Paula- Yes

Dan- Yes

Don- Yes

Kelly- Yes

Erik- Yes

Aimee- Yes

Ray- Yes

Paula: Motion passes.

- **Container Discussion** of request from new owner regarding using 2 containers for his build and for his garbage removal and proposed document.

We have a new owner who will be starting the build of his home. He has asked permission to bring 2 storage containers to the island for storage of work materials and to use to remove the building debris that he will have from the build. I reached out to the ACC as I know that storage containers have not been allowed, and in the past, when one had been allowed by a previous board it had caused some dissention on the island. Sandy Bettencourt, the community chairperson on the ACC, kindly helped out with some guidance of an agreement that could be used to allow the owner to utilize storage container for his build and protect the island should they be abandoned or issues regarding removal of the containers take place. The ACC didn't feel that this feel under their umbrella but the document I am asking the board to approve was created with guidance from its chair.

Erik: new owner is seeking a temporary policy to facilitate construction of his home. The containers are not for living purposes. There are carrots and sticks, deposits that is refundable provided you adhere to time limits. Escalating fines if it stays longer than agreed to.

General discussion: clarify rules and time limits.

Dan: Motion to adopt the Construction Container Agreement

Erik: Second

Paula: any further discussion? None

Roll call vote:

Paula- Yes

Dan- Yes

Don- Yes

Kelly- Yes

Erik- Yes

Aimee- Yes

Ray- Yes

Paula: Motion passes.

Speeding on the island

Kim: Enforcement of island rules can be challenging. Sometimes it is easy, I speak with the offending party and they acknowledge they made an error and they never do it again. Then we have repeated offenders who I have spoken to repeatedly, other owners have also spoken to them as well and they still continue to speed. I have been asked to address this by an owner with the Board of Trustees as they believe that small pets or children could be injured. Some rules we have specific fines for, some have general fines. There is not a fine specifically listed for speeding on the Hat Island Community Associate Fines Schedule. It does state that fines not specified above will result in reasonable fines up to \$50.00 per occurrence and \$100.00 per week for continuing violations. Requesting that the Board of trustees support the assessment of these fines for continued speeding after one warning has been issued.

Requested the Board of Trustees make a motion: Repeated offenders of speeding violations be charged up to \$50.00 dollars per occurrence, \$100.00 per week for continuing violations.

Kelly: So, if they speed 3 times in a week, we will only charge them \$100.00 not \$150.00?

Kim: Yes. The fine would not be more than \$100.00 in a week.

Erik: I don't have a problem with the fine, but how do you tell if they are speeding? Dust? Posted speed? How do you know if they are going 15mph or 17mph?

Kim: Yes, posted speed. They are going way over 15mph or 17mph. Yes, it can be subjective. But I am not talking about a person that got distracted and then slowed down, I am talking about perpetual repeated speeders.

General conversation: It is sometime very easy to tell when someone is speeding. People speeding in front of office, at top of the hill, Saratoga is the highway. Could be get a radar gun? Or perhaps use an app on your phone. Show how fast someone is going. Need to have this understood first. What if neighbor turns someone in, then they come to the Board and ask to appeal (he said, she said issue) possible more than one warning. Looking for objective evidence.

Kim: to investigate options

New item on the agenda- Opportunity to provide emergency ferry service

Vessel Committee indicated owners want increased ferry runs and finance committee did not feel they had the budget to fund this. Thinking about how to increase ferry service to the island without raising assessments and without compromising our ferry schedule. I would like the Board and community to consider the exploration of different ways to make this happen. Research and present to the community. I propose to consider using the current WA State ferry crisis to our advantage. Could offer additional ferry service to the island by providing temporary ferry service to our neighbors in Langley who need to get to work on the mainland. This temporary solution could bring additional income to our island to help pay down our ferry loan and possibly offer owners additional ferry service to the mainland while helping out our neighbors on Whidbey Island. It would be a interim solution while Langley work to come up with a more permanent solution for ferry service to Everett, which in turn could pickup Hat Island owners down the line. The window of opportunity to explore this option is small. I am asking the Board of Trustees as the elected representatives of Hat Island owners if they would support me researching these possibilities and report back to the community with viable options available to pursue.

I had a Dr appt last week and my nurse was from Whidbey Island and my nurse mentioned that she did not know how she was able to get to work. I saw on the news that they were reducing ferry runs because they did not have enough workers. Just like the PPP loans, I think this could be an opportunity to test out providing additional service to the island satisfying owners desire to have increased ferry runs while providing additional revenue.

Aimee: Great idea, but concerns, insurance, and staffing.

Erik: You are proposing to contract our ferry to Whidbey for a daily Langley to Everett ferry run?

Kim: Yes. There is a lot of grant money due to COVID -19. There is a lot of grant money to help medical workers get to work. There is a lot of grant money for transportation.

Erik: This is a huge undertaking

Kim: Yes, this is a huge undertaking. It would likely be for a year while they find other options

Don: important – increased pressure on infrastructure here on Hat and all around us. This is a matter of playing nice with our neighbors and forming a partnership which could really be a benefit to this island. Others are working on option for short water transportation options. Just an exploration but could really benefit us as well.

Dan: Emergency temporary option and funding that was not available last time we talked about this. We could generate revenue to pay down our ferry loan which could dramatically help our finances in the future.

General: discussion emerging opportunity, lots of questions to be answered. Ray and Don have connections to local and state government. Ray and Don have agreed to help with investigation.

Kim: This past year Port of Bellingham and San Juan Cruises ran a ferry between Point Roberts and Blain WA (Canadian border closing) from Aug 2020 to Aug 2021. They did 325 runs with 5,400 passengers and made \$250,000.

Does the Board support me moving forward with the support of Dan, Don and Ray?

Erik: Concerns about how many hours Kim would spend doing this.

General comments: Board in support of exploring this opportunity.

Sharon Meadows: We did some research on this previously.

Kim: We have that info. Credit to Udo Gertz for laying the groundwork on this. I have those contacts and have been in contact with them already but did not want to go too much further without discussing with the Board.

Erik: Want to see the budget

Dan: Sharron; previously when we looked at this Langley wanted us to apply for the funds. But Hat could not because we are private, so Langley dropped it.

Feedback from open line chat: please get feedback from ferry riders who only option to get to the island is via the ferry. Concern about competing for space. How many of the Board are regular ferry riders currently?

Kim: It would have to have zero impact on our Hat Island riders.

Treasurer's Report- Don Stark

We are in good shape and on track to meet revenue and expenditure goals per our 2021 budget.

September 2021

All payables are current, our reserves & operating income are as follows:

- Capital Reserve: \$486,774.43
- Cash Reserve: \$258,352.27
- Marina Reserve: \$120,291.77
- RO Reserve: \$152,686.66
- Operating Income: \$301,012.03

The reserves have had no contributions this month.

Unpaid accounts.

- In Legal: \$2,500,659
- Accounts with Collections: \$53, 654
- Accounts on a Payment Plan: \$5656
- Allowance for Bad Debt: \$7329

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

Respectfully,

Don Stark- HICA Treasurer

Committee Reports

- Vessel Committee Report: Kelly Dukes
- Finance Committee Report: None at this time
- Golf Committee Report: None at this time
- Governance Committee Report: None at this time
- Nature Conservancy Committee Report: None at this time
- Long Range Planning Committee Report: None at this time
- Marina Committee Report: John Gray, Board Chair
- Social/Marketing Committee Report: None at this time
- Safety Committee Report: None at this time
- Technology Committee Report: None at this time
- Water Committee Report: Read by Kim Gleason

Equipment/Vessel- Kelly Dukes

Vessel Committee continues to have robust conversations on multiple topics.

Passenger limits (owners may have up to 10 guests) – Recommend no change

Guest restrictions (owner must be on the island for guests to ride the ferry) -Recommend no change.

- Committee is split 50/50 on this topic. It was difficult to balance the very valid concerns on both sides. We walked away with a stalemate and felt the appropriate decision was to keep the policy of requiring the owner to be on the island for guests to ride the ferry remain in place at this time.
- 50% Want restrictions lifted (feel that the owner should not be required to be in the island)
 - ✚ They did not like having their access to the island restricted and the ferry is like the road to their house. (This feedback was not from VRBO owners. This feedback was from people who wanted to share their home with family and friends.)
 - ✚ Concern that people will continue to buy boats out of frustration of ferry restrictions
- 50% want the restrictions to remain (owner must be on the island for guest to ride the ferry)
 - ✚ Covid concerns and additional strangers on the ferry that increases risk of COVID
 - ✚ Concern that passenger fares are subsidized by the community, and it is not right that the community should subsidize another owners VRBO business.

How riders treat the ferry crew

- 65% percent of riders are polite and treat crew with respect
- 35% are at times belligerent or rude. This behavior can occur while guest is standing next to the owner. It is unacceptable to treat our crew with disrespect. Please talk with your guest and ensure they follow rules and treat everyone with respect.

Ferry Schedule

- Change Thursday evening sailing from Hat Island to Everett from 6:30pm to 5:30pm
- This saves crew hours allows and begins Nov 1, 2021

Monday Ferry Runs on Mondays in 2022

This has very strong support from the committee

Recommendation:

- Investigate eliminating hours on low use runs, reducing wait time hours where possible and allocating crew hour savings to offset additional hours of proposed Monday Service.
- Test of schedule early in 2022, bring results of test back to community and Board for review and recommendation

Hat to Port of South Whidbey (Langley) peak season excursion trips

- 2019 Peak Season monthly trips on Saturday from Hat to Langley for shopping/lunch
- Popular- pre-COVID (not offered 2020-2021)
- Langley is supportive of initiating this again

Recommendation:

- Investigate events scheduled with Langley Chamber of Commerce
- Propose schedule and agree on ridership minimums required to entertain trips
- Bring topic back for approval/consensus

Ferry Capacity

- Recommendation: No change- Maintain 40 rider capacity limit

Hat Express

- Issue with the new paint in the hull- potential legal issue.
- Life rafts require recertification by end of month October

Recommendation:

- Continue to market Hat Express on Hat Island website and Facebook to potential buyers at reduced price of \$225,000. Continue to maintain vessel in ready to buy condition to aid in marketing and sale of vessel.

Erik: Limit of guests on the ferry?

Kelly: 10 per ferry run but owner must be on the island

Erik: 50/50 split on the committee?

Kelly: Yes

Kim: Family can come if you are not here, but if you want your 6 girlfriends to come but you are not going to be here is an example of instance when guests cannot ride the ferry.

Erik: COVID used to be the reason that we limited guests. But that is less of an issue. We are going to address letting guest on the ferry without owners pretty soon.

Kelly: We are still wearing mask because COVID rates are high and owners are not comfortable with extra strangers on the ferry.

Erik: Do we have Vessel Committee owners and staff that are not vaccinated that are particularly concerned about this because they can't get vaccinated and believe others will infect them? Or is it vaccinated people worried about people they don't know infecting them?

Kim: We do have ferry staff that are not vaccinated, but I don't know about Vessel Committee members.

Erik: Ok, just curious. It is an interesting argument.

Marina Committee- John Gray

- Recommendation to open marina during low season
- Temporary Expansion of the C Dock Loading and Unloading Area

SUGGESTED ACTION BY THE BOARD OF TRUSTEES

Topic: Marina Usage for Guests and Yacht Clubs During The Low Season.

The Marina Committee recommends:

- a. The marina be opened to guest boats of owners without limitation of numbers,
- b. Guest boats are allowed when the owner is NOT present on the island, and
- c. Yacht clubs are allowed to hold events in the marina.

Background and rationale.

- I. The limitations on guest boats and events by yacht clubs occurred from the island's response to COVID. 20 months later, the limitations during low season when more room in the marina is available can be eased, monitored and adjusted if necessary. This does not apply to high season, a topic for discussion in the spring.
- II. The requirement that the owner is present on the island is rooted in the concept of accountability. To that end, the staff has created a visitor's packet with rules and expectations that is signed for. Owners are still accountable for their guests.
- III. Yacht Clubs have been welcomed during the low season and these events were successful and brought in revenue. Typically, the number of boats have been less than 20 with reservations made with the Harbormaster.
- IV. If there is a problem, then the Harbormaster will deal with it and if a policy change is needed, the Committee will address it.

Suggested motion: "I move for the acceptance of the recommendation by the Marina Committee that the marina be opened during the low season to guest boats without limitation of numbers, guest boats are allowed when the authorizing owner is not present on the island, and yacht clubs are allowed to hold events in the marina. All of these are subject to management by the staff."

Erik: Interesting that is this is directly opposite of the Vessel Committee recommendation

Kelly: This was brought up during our Vessel Committee meeting. We were made aware of the Marina Committee recommendation and had robust conversation on this topic and are still split 50/50.

Erik: Pre COVID owners could have unlimited guests?

Kim: Monday – Thursday owners could have guests, but owner had to be on the island. Fri-Sun you could call and book one of 3 open spaces in high season, but owner would have to be on the island.

General conversation: That needs to be changed- the owner needs to be here. Think this is a flawed motion- to clear it up.

Ginger Harmon: Pre- pandemic we could have people come in via a boat and stay at my house and not need to have me be here. I don't understand why people would be worried about the pandemic when someone on a private boat comes to the island. Private boat is safer than the ferry. We are wasting a lot of money (lost revenue if we turn away moorage)

Paula: We may have owners whose only way to get to the island is the ferry and we can't have them concerned about their safety. If it is a boater, it is their choice.

Kim: Asking because Barb has turned boaters away when owner was not on the island we need to clarify.

Paula: Perhaps amend motion to say the owner has to check in with the office and authorize it. Then the office is aware.

Kim: That makes more sense.

Ginger Harmon: Then you also have all these Yacht Club reciprocals that came in the past and they did not have to register as guests.

Dan: Reasonable notion. I think a lot of this comes back to a safety issue of I don't; know who is on the island. The island continues to grow and we have lots of new people here, new owners, guests, VRBO. People are all over the island that nobody knows. Are they authorized to be here and how do you manage that.

Paula: I would like to add to the motion that the owner has to authorize it and the guest has to check in at the office and get the rules.

Kim: VRBO when they come over on private transportation they have to check into the office. Reciprocal they have a reservation, and we have their name and information.

Paula: Are we prepared to make a motion?

Erik: Can you clarify the motion?

Kim reads revised motion:

“I move for the acceptance of the recommendation by the Marina Committee that the marina be opened during the low season to guest boats without limitation of numbers, once the owner has notified the office that they will be arriving. Guest Boats are allowed when authorizing owner is not present on the island, and yacht clubs are allowed to hold events in the marina. All of these are subject to management by the staff.”

Erik: I motion to make accept the amended marina committee policy

Ray: Second

Paula: any further discussion? None

Roll call vote:

Paula- Yes

Dan- Yes

Don- Yes

Kelly- Yes

Erik- Yes

Aimee- Yes

Ray- Yes

Paula: Motion passes.

Water Committee Report:

Erik: We we have a new chair. Important resource we could use more community members. Problem with green water in the RO that needs to be resolved.

Chris Inman report:

During September the well has performed as expected but the reverse osmosis system was still affected by the green water and did not produce as much as we would like. The production from this period was 3% less than Sept of last year. The water was a mix of 95% wells and 5% RO. The YTD report is 4% less than the last 2 year average YTD.

Erik: This high use of well water should be waiving yellow or red flags of concern.

Kim: Green water in the RO system. Hot weather leads to algae which clogs the filters.

New home built on the island recently had a water leak of 50,000 gal due to part that failed. Reminder to turn off water at street when you leave the island to prevent large water leaks and ensure you don't end up with a large water bill.

Paula: Water Committee should it include water drainage to help draw community participation in the Committee?

| Dan: Next month review how committees are formed. Some overlap, perhaps and opportunity to rework.

Paula: 1:12pm adjourned to Execute session for Legal and personal issues reconvene if anything to announce.

Nothing was announced.

Minutes prepared by Kelly Dukes are representative of the discussions.