

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

Saturday October 15, 2022

10:30am via ZOOM

Attendees:

Erik Smith- President	Virtual
Ray Stephanson – VP	Virtual
Don Stark- Treasurer	Virtual
Kelly Dukes- Secretary	Virtual
Aimee Caccavale- Trustee	Virtual
Dan Jensen- Trustee	Virtual
Roloff Barger	Virtual

Kim Gleason- Island Manager Virtual

Erik: Called the meeting to order at 10:32am

This this the first monthly meeting with new officers. In effort to avoid 3-4 hour meetings and lose attendees. We are doing bi-monthly working sessions as needed. We have had 2 meetings already this month working on the budget. Most of the Board and committee members work full time, and we are trying this approach to be more efficient with our time.

First order of business to approve meeting minutes: 8/20/2022, 8/30/2022, 8/31/2022, 9/17/2022, 9/20/2022

Erik: Requests a motion to approve the minutes

Kelly: Motions

Aimee: Seconds

Vote:

Erik Smith- President	Yes
Ray Stephanson – VP	Yes
Don Stark- Treasurer	Yes
Kelly Dukes- Secretary	Yes
Aimee Caccavale- Trustee	Yes
Dan Jensen- Trustee	Yes
Roloff Barger	Yes

Motion passes- minutes are approved

Agenda:

Island Manager Report
Legal Reports- Erik Smith
PUD Update – Erik Smith
Island Mangers Report- Kim Gleason
Treasurer Report – Don Stark
Old Business: Re-address the live aboard request from August
New business: Presentation 2023 Budget
Committee Reports
 ACC- Keith Lichfield
 Golf Committee- Bruce Kolpack
Water Committee- Roelof Burger
Community Input (3 Minutes per owner)

Island Manager Report

Welcome Captain Kyle Sparrow! Captain Shane as been working one day a week and helped Capt Kyle to apply the aft deck anti slip coating.

Congratulations to Alice Moyal who received her Master in Science for Accounting from Texas A&M. Having her in the office is a great service to the community.

North Marina Breakwater wall has been repaired. I'd like to thank Keith Litchfield and Steven Quarterman for their help in facilitating the engineering and permits needed for this project.

Upcoming projects, not needing permitting.

Drainage repair along Whidbey Island Dr., being done currently.

Repair of the RO piping from the pump intake on G dock, being done currently.

Repair of the existing playset in front of the Hat Island Yacht and Golf Club.

Extension of the Maintenance Shed to provide cover for equipment.

L Dock repair, this is a safety issue and the staff will be trained on building the dock in two weeks. We will be asking for community volunteers to help.

Legal Report- Erik Smith

I see 30 people are on the meeting, I recognize most of the folks on, but a few new names. As most of you are aware we have several lawsuits going on. The Matt Surowiecki vs Hat Island. We had an order dismissing Matt Surowiecki's claims. The claims were then reinstated by the Snohomish Co Superior Court along with an order for the attorney fees along with a final judgement. The vast majority of that judgment is for attorney fees that were paid by our insurance carrier and will largely go to pay those fees back. I wanted to share this so that you

understand that we are not likely to get much funds from that. We expect to receive some we are not sure how much yet but we are working through that with our insurance carrier.

There is also two foreclosure lawsuits that are pending. One action is against the Surowiecki LP II, it is a legal entity that owns several of his lots. That case has been stayed by the Court of Appeals. As a condition of that stay, Matt Surowiecki was required to post a bond in that case pending outcome of the appeal. Because the Matt Surowiecki's appeal was unsuccessful, HICA brought a motion asking the trial court to release the bond. The court granted the motion and HICA will receive the funds, about 180,000 which will be used to pay down the marina loan. Surowiecki LP II will get credit for this amount, but the foreclosure action will continue.

The second foreclosure action involves the remaining lots which involves approximately 130 entities. We expect to make progress on these cases over the next few months.

PUD Update- Erick Smith

The PUD report, it has been a while since we spoke about this. For our new owners, our existing 3 phase power cable comes from an easement by the Tulalip Tribes. That easement is not going to be renewed. We have been working with PUD and are looking at another location in Port of Everett. Complete geo tech studies, and survey of the proposed route. Plans for permitting are about 30% complete, on hold while they complete the final permit plans. Next steps present to Port of Everett proposed alignment for working the soils on the site. They will ask for a temporary construction easement and eventually a permanent easement additional or the power cable. PUD is pleased with progress. We don't know the actual cost until the plan is done. Once we have the costs we will share and evaluate how those effects our budget.

Old Business:

Revisit for live aboard request from August. John Lundin request live aboard while he is constructing a home on Hat Island.

Erik: request a motion to discuss.

Ray: Motion

Don: Second

None opposed.

Roloff: This was initiated prior to my coming onto the Board. It was brought up and referred to the marina committee. The marina committee reviewed and not opposed, but ultimately a decision that need to be taken by the Board. I understand that Kim has done the research on insurance and it is not a problem, so long as John has insurance and his policy was amended to include Hat Island.

Erik: Hat Island is a hard place to build and we have made allowance for people while they build. Validate that this does not increase HICA liability.

Kim: I contacted our insurance carrier and let them know we have an owner requesting to live aboard while he is building his home. They say that as we always report to our underwriter that we do not have liveaboard they need to check with the underwriter. They requested a copy of his insurance, a million dollars in liability. They required pollution insurance and HICA name had to be added to the policy. Additionally, they wanted a copy of his marina usage agreement. This was provided. They are confident that this will not be a problem with the underwriter. They also requested how long he intended to live aboard, approx. 2 months.

Aimee: I don't have a problem so long as this is all done correctly. However, about a year ago this was brought up with another owner. Do we need to revisit this issue with that owner?

Kim: Unfortunately, that owner has had some health issues and has sold their lot.

Erik: Request a motion to approve live aboard for up to 60 days while building a house so long as they are compliant to insurance carrier requirements.

Ray: Motions
Don: Seconds

Ray: RE: Pump out, the owner has indicated they will travel to Everett for pump out

Vote:

Erik Smith- President	Yes
Ray Stephanson – VP	Yes
Don Stark- Treasurer	Yes
Kelly Dukes- Secretary	Yes
Aimee Caccavale- Trustee	Yes
Dan Jensen- Trustee	Yes
Roloff Barger	Yes

Motion passes

In the chat: Chuck Motson: how many liveaboard at a time? Refer to marina committee.

New Business:

Presentation of the 2023 Budget Proposal
Board has reviewed at working sessions.

Dan: Multiple committees involved: Finance, long range planning and others.
As you can see spoiler alert, an assessment fee increase is recommended.
Fees are approved via Board approval, in here as a placeholder.

We have been working with the finance committee which has some new members. John Lundin, Larry Christenson and Kurt Leady in addition to Alan Dashan, Ginger Harmon, Kurt Kassahn, Don Stark and myself. These new additions have accomplished business and finance backgrounds, great addition. Started with the office and staff to review 2022 year end projection. We have made multiple reviews with the Board, finance committee and various committees for input.

When we talk about the budget we are very involved with multiple committees. Focus on how our reserves will be impacted by the budget. Some service fee increases proposals included in the budget as a placeholder, but will have to be separately voted on by the Board. The assessments increases have to be approved via the assessment approval process which includes mailing a ballot for a vote of the community in November.

Over the new couple weeks, we will take input from the committees, community it will be reviewed with the Finance Committee and the Board. In the November meeting we will

be presented the Boards request for approval. We will send out ballots and the community will vote. The results will be announced in the December Board meeting.

The budget reflects a number of issues that we are facing:

Inflation at 8%, significant impact. Supply chain issues, increased activities on the island, additional boats, new homes, rentals which brings additional visitors to the island. Demographics changes, younger looking for different amenities and support. Many volunteers are becoming, too old to do some of the work, or leaving the island. If we don't have new volunteers step up to take on those activities, then we need to contract for that work to be done.

Unexpected expenses, marina repair and permit costs. Delayed purchases. Discussed underpaid staff. Several Board members knowledgeable researched and made recommendations. Staff workload, lost of things people want, and this is a increase and the budget is addressing. Ongoing litigation costs and increased legal fees in 2023.

Major impacts:

Bulkhead repair which cost us \$175,000 in unanticipated costs.

Major lot owner defaulted on his contractual agreement to pay for his marina assessment signed in 2014. He was providing \$10,000 a month to pay off the loan. In March 2022 he stopped paying. He is default on this contract he is not paying, that adds up to \$100,000 that we have to make up for those payments that he is not making.

Inflation, supply chain all major impacts.

On a positive note, \$183,000 escrow in courts to allow us to pay off the marina loan this year.

2023 Annual assessment \$200/lot = \$1,400/lot
Service fees, some increased have been recommended by the various committees, some by the Finance Committee.

Reduce reliance on credit cards when taking payments. Credit cards fees generated a \$15,000 hit on our budget this year as previously discussed.

Labor increases based on market data and included a 7% COLA.

8% inflation.

Carry over major lot owner default, as he continues to not pay that is another \$70,000 that he should be paying in 2023.

Projected reserve \$780,000-\$800,000.

Court ruling on past assessments, we will have to spend money to try and resolve this issue. We have a number of issues in the marina, the commons, roads, drainage and equipment replacement, as island growth and pressure on infrastructure, employee retention and morale.

This budget does not address the issue with the major lot owner being in arrears on his assessments by \$2.5M and this does not include \$2.1M in interest and penalties. He is adding on \$170,000 in default, and we have to replace the revenue he is not paying. The major lot owner does not pay on 269 lots that he owns, which is 29% of the lots that pay. Lot owners pay 661 lots assessment request is for \$1,400 per year.

Why do we need this increase? Inflation, major replacements and repairs, bulkhead repairs were not expected, major lot owner is not paying his assessments, all of these impacts have depleted our reserves.

A couple things that I want to highlight. Over the past several years we received \$130K from the Recovery Act (COVID) which was a positive impact to our budget. We also got over \$1M in reduction to accounts receivable injection is what has helped us. Those amounts have helped us with our financials. Now we have just received \$183K from the court. Our accounts receivable are below where they should be.

The ferry has done really well this year (exceeded revenue projections) more riders and increased ferry rental. Some changes as we need to include depreciation, as life of items expires, you have funds in the budget to replace them.

We have 931 buildable lots, if everyone paid \$1,400 assessments it would total \$10.3M. However, the major lot owner does not pay on 269 of his 275 lots, which is \$376K year in income we are not receiving. The community must make us the funds that the major lot owner does not pay.

Major sources of collections:

Assessments and payments total \$960K. The ferry is doing really well this year increased due to ridership and charter trips, they have exceeded the income targets. water system \$205k, marina \$135k, golf \$46, services to the barge \$164k. This anticipates the rate increases that we put in the budget.

What does it take to run the island?

Administration (office, insurance taxes telephone and travel) \$260k, labor \$767k, cost of goods sold \$156k, materials \$14k, professional services \$189k, repairs/ maintenance \$85k, utilities \$34k. Total operating cost of \$1.5M. Additionally, we need to pay out ~\$28k on the ferry loan, and principle on the ferry loan is \$66.5k.

Services: The ferry loses \$128K, golf loses \$14k, marina loses \$160k. Water makes money and contributes \$66k, for a net impacts of -\$236k for services.

The reason these numbers look different that in the past, we are including a burden for depreciation. That has not been done in the past, which has surprised some folks. However it is necessary to include this in order to replace these things in the future.

Increases:

Assessment increase by \$200 year to \$1,400.

Marina moorage annual fees, \$3.00 foot increase, (\$19.00 foot increases to \$22.00 foot)

Marina daily fees: \$1.50 foot daily rate all seasons.

Ferry: Recommend maintaining the fuel surcharge due to increased fuel prices.

Golf: annual golf pass increase by \$25.00 to \$325.00, guest pass increased to \$25.00, owner \$20.00 owner increased, however it would be for an all-day pass. When we look at historic usage the majority of people only play 9 holes. This has a benefit of being easier to administrate.

Employee Compensation:

We have 15 employees, 5 full time and 10 part time.

Labor costs have been lower because the island is well managed and we have a large volunteer base in the community. However, labor costs have also been low because we have not been paying market competitive rates for many positions.

Several of our Board members who have expertise in this have done extensive research and found that many positions are not paid market rates and COLAs have been sporadic. Labor market has become very competitive and we risk losing key specialized talent unless we address this, not to mention morale. It is also the right thing to do. Employees deserved to be properly compensated. The Board and finance committee support this as well. Each position has been evaluated and target salary ranged have been calculated. In addition, 7% COLA has been included in our calculations.

Equipment purchases: Big hitters is the permits for the marina and commons drainage, this is a very large expense. The frailer the maintenance crew needs is no longer operational. Work needs to be done in the R/O system, the parking lot and the maintenance truck is shot. The golf course needs a means to move equipment around. We need new office computers. We need to continue on Frisbee golf. New feature, address some of the needs of our younger demographics on the island and brings in new revenue. Nature Conservancy group green areas, and marina dock repairs adds up to \$405K.

Some things moved out to 2024, for budget and permits.

Marina loan balance \$77.9K, interest rate 3.5%. Termination date end of 2023. However, there has been accelerated payment due, as agreement has been that any back assessments would be applied to the marina loan. That has paid down the loan faster. This loan will be paid off in 2022 and will not need to make \$15K monthly payments in 2023.

Ferry loan balance is \$639k. interest 4.18%, loan termination date is Dec 2034. Monthly payments are only \$7,978. Interest on the loan \$30K year, \$66k in principle payoff.

Bottom line: Net income \$631k. Lot owner anticipated arrears \$376K, leaves us with negative \$15k. Depreciation, is added back in as available cash is \$270k which leaves us with \$254k. Loan balance and equipment purchases net to the reserves leave us with \$216k negative. So we will be dipping into the reserves by ~\$200k to meet all these obligations. We are projecting that the reserves at the beginning of 2023 at \$1M and will be \$796k by the end of 2023. It is a little low, but ok, and we will work on the long range planning over the next 5 years to get it back to where it belongs.

End of presentation.

Erik: How did the finance committee arrive at \$200.00 for the assessment increase?

Dan: It is a reasonable amount; it probably should be higher but it was a reasonable start. Our assessments has been very low, but this a reasonable start.

Ray: Tremendous effort by all involved- Thank you to Dan, Don, Alan and the whole finance committee. Dan and I have worked together at GTE, he brings a tremendous amount of skills, we are very lucky to have him.

Dan: I want to give a shout out to the office staff. Alice now has a master's degree in accounting, Barb Holte and Kim have both been tremendous. I have asked them for a lot of information. They have helped get us to a place where we can be proud of our books. It has been a lot of work.

Erik: Dan how can the committee's and community provide feedback? Ultimately this will be voted on by the community, but there is additional meetings and time for input to be considered.

Dan: Golf, ferry and marina committee convene within 2 weeks. Community contact the office so we can consider the input. A lot to do to get the budget ready. Working session, bring forward Nov meeting for December vote to the community.

Discussion: Meeting cadence and approval process. Trying to be super transparent extra meetings. Working session likely early Nov, following week the Board will approve the budget recommendation and ultimately the ballot will be mailed to the community for a vote.

ACC Committee Report – Keith Litchfield

October 15, 2022 Board of Trustees Board Meeting

1. New ACC Co-Chairs:

The ACC is putting for a recommendation that Brent Hackney be a new committee member to replace Tom O'Day. After many years on the ACC Tom has decided it's time to step down. Tom will be certainly missed by all committee members.

Brent Hackney has been a property owner on Hat Island for many years. He is a licensed septic system designer and has personally reviewed many properties during their development and design phase. The ACC believes that Brent will be an asset to the Committee.

Please direct all information and questions to the full ACC at hatislandacc@gmail.com.

2. Move-In House Approval Process:

The island has experienced an increased activity related to move-in houses. The ACC has reviewed and revised the adopted HICA move-in house policy guidelines. The revisions proposed for adoption by the BoT are provided below. The proposed policy changes were sent to BoT members in an earlier email.

1. The owner will provide the HICA office a copy of all required Snohomish County permits, including approved surface water drainage, critical areas review, foundation (i.e. building permit), and septic permits (i.e. Health Dept.), before scheduling the move.

2. Move-In houses may not be left on the Community easements/common areas without the approval of the Island Manager. If approved, this will be for a limited time-frame as determined by the Island Management or Board of Trustees.

3. Prior to the move, the Island Manager or their designee will meet with the owner/contractor(s) to determine the best route to the property owner's lot. Logistics include but are not limited to barge/landing craft logistics to prevent damage to the shoreline and other sensitive areas. The Barge Contractor will provide

a representative knowledgeable in all aspects of the home move and placement of the structure onto the identified foundation location. Note: The owner and contractor will be responsible for all storage or damage costs related to the inability to place the structure over the foundation hole during the scheduled move date(s).

4. The owner/contractor will provide a certificate from a licensed Washington State pest control business certifying the building is free of any pests (wasps/bees, bed bugs, termites etc.) or rodents/mammals (rats, mice, opossums, bats etc.) prior to moving the house to Hat Island.

Ray: Motions to approve Brent Hackney to replace Tom O'Day on the ACC Committee for 2 year term.

Aimee: Seconds

Discussion:

Brent's experience sounds really great. Is there any conflict of interest that we should consider due to Brent's work with septic? Discussion resolved all concerns, there is no conflict of interest. He designed the septic system, he does not install them. He has no incentive to approve a design. The final design of the septic is approved by Snohomish Co, there is a significant separation from the ACC.

Vote:

Erik Smith- President	Yes
Ray Stephanson – VP	Yes
Don Stark- Treasure	Yes
Kelly Dukes- Secretary	Yes
Aimee Caccavale- Trustee	Yes
Dan Jensen- Trustee	Yes
Roloff Barger	Yes

Approval is unanimous- welcome Brent Hackney

Move in house policy.

Lots of new houses coming to the island. The summary about highlighted areas sections 1-4 above discussed. Item number 4 generated a number of discussions about pest control concerns. Many of the homes comes from Canada to the USA. Where the point of pest control inspection occurs. Require a certificate from a licensed pest control specialist.

Ray: Given the sensitivity and timing, move adoption of this with revised language.

Don: The sooner we adopt these the better Kim/island manager will be able to address some of these issues.

Kim: before we have other homes come, we need this policy in place.

Erik: Requests a motion to amend the Move in House Policy to require a pest control inspection for a licensed pest inspection professional

Don: Motions
Ray: Seconds

Vote:

Erik Smith- President	Yes
Ray Stephanson – VP	Yes
Don Stark- Treasure	Yes
Kelly Dukes- Secretary	Yes
Aimee Caccavale- Trustee	Yes
Dan Jensen- Trustee	Yes
Roloff Barger	Yes

Passes – unanimously approved.
Send to Kim and HIBoard email

Golf Committee- Bruce Kolpack

HICA Gold Committee Report to the Board of Trustees
August 2022 Board Meeting

Last time rules updated was 2008, looking to make it more family friendly. And rules to encourage families to play. Slower golfers to allow faster golfers to play through.

USGA RATING

- The USGA re-rating occurred on Aug 4th as planned
- The golf course now offers three tee options: Orca, Maple and Madrona. See the attached explanation of details and yardages
- Signage changes are built into the 2023 signage budget

DISC GOLF

- Received quotes on material; plan to make purchases in the September timeframe; installation to occur in phases during the offseason
- Grand opening Spring 2023

PROPOSED GOLF COURSE RULE CHANGES

- Copies of the old rules and the proposed new rules are attached.
- The intent of the rule changes is to make the course more fun, open, and family friendly.
- Volunteer marshalling will be easier.
- Signage changes are built into the 2023 signage budget.
- Summary of changes:

ITEM	CHANGES
Sign-in and payment	Venmo added.
Guest policy and penalties	No changes
Allow faster players to play through	No changes
Children under 12 require adult supervision	No changes
Dogs allowed on course during low use hours if under control of owner	No changes
Private tournament policy	No changes
Normal courtesies and golf etiquette must be followed.	No changes
Maximum of a foursome on weekends	No restrictions provided faster players are allowed to “play through”.
All golfers must start at the #1 tee	Golfers may start on any hole. Golfers can stop play at anytime and return later to finish their round.
New rules and clarifications	<ul style="list-style-type: none"> Families, beginners, and slow players are encouraged to use the golf course provided the “play thorough” rule is followed Sharing of clubs is allowed. There is no minimum on the number of clubs (1 club OK).

The HICA Golf Committee formally requests that a motion be made to adopt the new gold course rules, effective immediately.

Kelly: Motions to adopt the new golf course rules, effective immediately

Ray: Disk golf included?

Bruce: Slow to implement- updated rules to incorporate disk golf once it is in place

Ray: Disc golf and regular golf played concurrently

Aimee: Seconds

Vote:

Erik Smith- President	Yes
Ray Stephanson – VP	Yes
Don Stark- Treasure	Yes
Kelly Dukes- Secretary	Yes
Aimee Caccavale- Trustee	Yes
Dan Jensen- Trustee	Yes
Roloff Barger-Trustee	Yes

Golf Fees:

For the most part the rules the Golf Committee recommendations have been adopted. The new fees structure and allows golfers to pay a daily rate which gives golfers the flexibility to stop for lunch and be more family friendly. Received the new USGA rating in August. Discussion about the golf fees annual golf membership, and coupon books, feedback welcome. New signage coming, which Lori Christopher is helping with. New community sponsored events, which proceeds will be used to raise funds for golf course beautification projects.

Water Update 10-12-22

Water produced in Sept:

Sept YTD

Wells 597,585 3,907,745

RO 13,070 650,050

Totals 610,655 4,557,795

During Sept the Wells performed as expected and the RO production was low due to a leak in the underwater output line.

The production from this period was 25% more than Sept of last year. The water mix was 98% wells and 2% RO.

The YTD produced is 22% more than the last 2 years avg of their YTD amount.

Community input: (3 minutes per owner)

Don: Comments in the chat for Community input.

- 1) Tom O'Day asked about live aboard for 60 days while building a home. Concurrence that was the intend of the motion.
- 2) Toni Jefferies asked about a time frame for on inspections for homes prior to moving onto the island. Greet that the ACC would look at that an incorporate as needed. Wrapping the house or time limits that is reasonable.

Erik: Community feedback is limited to 3 minutes. This a Board of Trustees Meeting not a Community Meeting. Community feedback is welcome at the end of the meeting and on any action item of the Board. The presiding officer will announce when the comments will be heard. Please be patient, a community member who wishes to be heard must seek permission to do so from the presiding officer. Please state your name and lot number and any group you present if pertinent. All remarks must be made to the presiding officer. Comments shall be limited to 3 minutes or less per person on a given topic. Derogatory comments will not be tolerated.

We have received a lot of marina related comments. We will review them in the order received.

Kim: First up is Steve Jefferies

Steve Jefferies: I need clarification before I begin. I am presenting a petition representing more than 100 community members. I know that a number of them have contacted the office and the Board yielding their time to me. 3 minutes is not long to present the information that I am about to present. I have not heard back, is that ok, they can yield their time? Or you don't ant to be able to do that?

Erik: No we don't. If they are hear and they would like to speak or continue, then we welcome them to do so. Unless the Board wants to make a motion, otherwise we will limit everyone to 3 minutes and you will need to edit your comments to make your point in the allotted time.

Steve: My letter will take longer than 3 minutes, so are you just going to cut me off in the middle? You don't actually want to hear what I have to say?

Erik: We definitely want to hear everything...

Don: We have received that letter and a number of other letters, all of us. Many copies of all this correspondence. I don't think there is any lack of information about the points that you are trying to make.

Erik: this will all be put in to the minutes as well.

Don: What Mark Twain said, if I had more time I would write a shorter letter. I think you should take those words and apply them.

Steve: Just for the record, the fact the folks have asked you to give me their time, you are denying that request to the community members that contacted you? Just to get that on record.

Erik: no...

Steve: I don't see a rule here, I don't see a rule here that you can't yield. Do you actually have a rule?

Erik: No, like said we are taking community input chronologically as it was received in the office. If you contacted the individual board members individually, we ask that it be directed to the office to help us tally everything. So if there are additional people that want to support this I whole heartedly welcome them to do so at their allotted time. There is no rule that allows ceding 3 minutes time and batch them up to use in volume. We ask that the community input is written and they can be put in the minutes and read it, or they can be here in person to make their statement. Do with the three minutes as you will.

Steve: But you don't have in the rules anywhere that people can't yield three minutes. You are just making this up.

Erik: Your time is going to start soon, we have a lot of people.

Steve: I guess I am going to start speaking and you will have to cut me off.

Good morning. Most of you know me but for those who don't my name is Steve Jefferies and I'm here today to present a petition containing the names of more than 100 community members who are requesting that the total number of days allowed for absentee moorage in the period September to May be adjusted from 30 days to 60 days.

Before coming to the island, I taught at Central Washington University for 29 years and served on several national, state, and local boards. When I did this, I always felt it my responsibility to listen to the people who elected me. It was also important to seek out information that would guide my decision-making role and help me do the right thing.

So, in regard to listening to the community, the request you are being asked today to approve currently has the support of 105 community members. Previously, you have reported a small number of objectors. If

tallying community input is important to you in your decision-making, the data should now be clear. There is overwhelming community support for the requested amendment.

Now it's reasonable to wonder why there is such overwhelming community support and this brings me to the importance of looking at supporting data. As you will see, the data is similarly overwhelmingly conclusive. Let's look at it:

Only 12 different boat owners used this policy over the 9-month period

Over 9 months this averaged 1.3 users per month.

1.2% of the marina's 112 dock spaces were used for absentee moorage per month, or in other words...

98.8% of the marina dock space was open each month to boat owners not using absentee moorage.

Based on 159 annual moorage holders, only 0.82% of annual moorage holder boat owners used this policy per month - less than 1%.

In the 273 days (Sept 2021-May 2022) absentee owner boats were in the marina 323 days. In other words, 1.2 boats per day in a marina that typically had 56-74 open dock spaces.

As you can see, the evidence is unequivocal or beyond doubt. The use of absentee moorage policy by a tiny number of boat owners (1.3 boaters per month) had almost no impact on the availability of dock space (using only 1.2% of the total dock space).

2

Additionally, this past week I've been recording the use of marina dock space at about 6:30 each evening:

Saturday - 52 boats - Marina was 54% empty

Sunday - 36 boats - Marina was 68% empty

Monday - 35 boats - Marina was 69% empty

Tuesday - 34 boats - Marina was 70% empty

Wednesday - 39 boats - Marina was 65% empty

Thursday - 38 boats - Marina was 66% empty

Friday - 45 boats - 34 boats - Marina was 60% empty

Let's remember that this data reflects early October starting on a warm and sunny 3-day holiday weekend. Imagine what the marina will look like when fall and winter arrive in November, December and so on.

So without belaboring the point the Board has been presented with overwhelming community support for approving the addition of 30 days, and data that proves conclusively that the use of absentee moorage has had no negative effects on marina capacity or on boat owner access to the island. You might keep in mind too, that since the expansion the marina has never filled and no boat owner has ever been turned away at any time of the year.

But there have been objectors and I want to address their concerns because the Board should listen to all community opinions and then judge their relevance to the issue being discussed. At the outset, I will point out

that none of the objectors have so far disputed the data. In other words, no one is suggesting that last season's absentee moorage use, caused any problems with marina capacity or owner access or threatened the purpose of the original policy. Clearly, the evidence proves otherwise. So in the absence of data to use against the requested amendment, we are left with a smorgasbord of speculation, what-if-isms, fear mongering, and unrelated-to-the-issue complaints. Here's a top 10 sampling:

I pay both for moorage in Everett and on Hat Island - Is this related to whether or not adding 30 days in the low season will cause space or access issues to the marina? Obviously not. Presumably, owners who do this want to be able to access their boats on the mainland so they can come to the island, or they spend several months away from the island.

3

The Board attorney has told us we can't create policies only for permanent residents - Nothing in the marina policies or requested amendment ever mentions permanent residents. Dog policies affect dog owners, ferry policies affect ferry riders, and boat policies affect boat owners. What we are discussing here is a boat owner policy.

It's not fair! - There's been a suggestion that accommodating the lifestyle needs of a small number of boat owners is unfair. That's a slippery slope. Was the addition of a Monday ferry "fair" to boat owners who rarely use the ferry? The ferry loses money on every trip and the island could save money by reducing ferry runs. But the addition of the Monday ferry was an accommodation primarily for people without boats, adding flexibility and giving them greater access to and from the island. And my wife Toni and I fully support it, because helping fellow community members and increasing their opportunities to enjoy Hat Island is the right thing to do! Surely the same is true for those who use the absentee moorage policy?

30 days is long enough - This remark astonished me. Do any of us think we have a right, let alone an ability to tell other people how much time they need to visit parents, children or grandchildren who live some distance away, to help out family and friends on the mainland who need our assistance, or how many days is appropriate for us or anyone we care about to be sick?

The number of slips for larger boats is limited - The data shows that no space problem is due to people using absentee moorage. In the low season there are less than 2 boats a day using the policy. And, there are in fact many slips that can accommodate larger boats that are usually empty. There's been an increase in the sales of annual moorage permits - Yes, and as the data shows less than 1% of them had any need to use the absentee moorage policy in the recent low season.

There are more people buying homes and coming to Hat Island - What has that to do with the issue of extending absentee moorage by 30 days? People are also leaving Hat Island.

I came to the island recently, it was busy and harder to find a slip - That is pretty unlikely in the low season based on the data. Unfortunately, there is

confused thinking that when the marina gets busy it's because of boats using absentee moorage. The data proves otherwise. Of course the marina will at times get busy because sometimes owners decide to come on the same days. Absentee moorage use is not the cause of this problem. Boats left unattended risk damaging the docks and will use more staff time - There is no data supporting this claim. On the contrary, people who plan to leave their boats when they go off the island are more likely to add

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additional dock lines as well as have someone on the island check their boat regularly. The biggest danger for dock or boat damage is when boats enter and leave dock space.

We need to think about and plan for the future - Great idea, but right now there's no justifiable reason not to support this request and as with all policies we can make changes when the need arises.

Amid the distractions and mud throwing in the hope that something will stick, amid the whack-a-mole changing constantly changing objections, there's been personal criticism. I guess that if you can't attack the message, attack the messenger. Some people apparently don't like the persistence Toni and I have shown pursuing what we naively assumed would be a small policy amendment. I've been accused of being rude, of being a bully, of being condescending, of being disrespectful, of being difficult to work with, and needing persuasive argument and attitude coaching. I'm happy to let those of you who really know me, be the judge of my character. As you can imagine this has been a very long and frustrating experience.

In summary to the Board members, you have heard from the community, you have heard from the Marina Committee, and you have now seen the data. Our request is time-sensitive. We are now in the low season when the requested amendment would apply. If you have reservations, realize that there's a simple solution - Try it! If the feared consequences that objectors speculate occur, you can always change it.

At this time, Toni and I, and over 100 community members are going to trust you to use the information we have shared to make the right decision. Thank you.

Ray: noted when 3 minutes was up.

Erik: Asked Steve to summarize briefly (giving extra time)

Steven: The Board has been presented with overwhelming evidence of community support for the addition of an additional 30 days. And the data shows that it has no negative effective on marina access or boat owner access to the island. Keep in mind that since the marina expansion it has never been filled and not boat owner has ever been turned away. The rest of my note there has been some objections. You will hear them and I have answered those objections.

Erik: can I ask a question?

Steve: Let me just finish one more. I want you to listen when you listen to when other people speak who object. Are they talking about marina capacity and usage, or are they talking about other things. There are objections that other people have but they are irrelevant to what we are discussing.

Erik: lets look at Stevens % of days that are open. Good info. But it would be helpful if you dis that by slip size vs just overall % open. Because some slip sizes are very limited.

Steve: Absolutely, I have a map. There is plenty of space.

Erik: There is plenty of space for say 24 foot boat, but only a few for say a 50 foot boat.

Don: I have watched marine minutes and I have been thinking about this for a while. I spoke with Kurt Kassahn who is a member of the marina committee. He has proposed a compromise that would provide for more than 30 days. The person would pay for it equivalent to the rate that you would pay for annual rate in Everett. Did you see that proposal and are you in favor or against that proposal?

Steve: That needs to be thought through, there is a little confusion here in terms of what are we even paying for? The folks that already paid annual moorage, it is not a fee, you are not actually providing a service if you charge more money. If you go to Everett, you actually get a service. They get a new slip and all the other things that come with it. This is a fine. If you want to talk about reducing the fine then that is conversation. It is not a fee because you are not actually getting anything because your boat would otherwise be there. It is a bit of a complex question that probably needs a bit more thought.

Don: What Kurt is suggesting that rather than twice the daily rate, which is sort of a fine. He is suggesting that we have it less than that and generate some revenue for the marina. You object to the because you don't want to pay?

Steve: It's the logic of the argument which is problematic. Also the revenue. We are talking about 12 people who use absentee moorage. Only a few went over 30 days, we are talking about an insignificant amount of revenue. I understand logically I would like to pay less, but there is no logic to this. You don't get anything for this. You already pay for moorage, our next getting extra service your boat sits where it sat the day before. So it is problematic.

Don: I see, that is one opinion. I think that Kurt made a pretty persuasive argument, at least the ones that I saw. Ok, thank you.

Udo Gerz, M015

Dear Board members,

Hat Island is a very special place, not only because of the beauty of the island and mother nature surrounding us, it also has challenges in daily life.

Everybody is faced with those various challenges and needs to find a way to accommodate daily life. Neighbors help out neighbors, if it is the broken coffee machine, the lack of milk for the visiting grandkids or just plain a nice word to listen to. It is a magical place!

This island has been largely built in the past on volunteers; if it was the marina expansion, the dock building, the waterlines and many other items.

A Volunteer fire department with their personnel to assist in all kind of situations, including the attention to medical emergencies.

Many people have contributed to all these events and I have never heard anybody ask for a special treatment, because they did something for the community; not even have I heard anybody pointing out, what all they are doing!

Everybody has invested in all the various projects for the island. The Golf course, the marina, the ferry and all those endless items, which are being done by our wonderful

staff with the help of volunteers. The marina was expanded with the funds collected from everybody, if you have a boat or not. The island has an obligation to provide

passenger service to the island and everybody paid their share for the new ferry. We have rules, which everybody has to obey to.

In the last year one community member has started a campaign to allow them to leave their vessel in the wintertime longer then the current 30 days per marina regulation.

As I can understand, that sometimes people want changes, this subject was discussed in length by the marina committee and with the last report by former marina committee chair, John Gray, the Board was informed, that the committee had a split of 4-3 on this question of changing the number of days for absentee moorage. The Board discussed in length the issue and came to the conclusion, that it should remain at the current 30-day rule; multiple conflicting requests for marina use/space and significant community feedback were received, which leaned towards not changing the policy. In addition, our lawyer has stated multiple times, that we cannot have any rule, which favors a group of people, in this case Full Time residents. One committee member suggested, to have an increased fee for the second 30 days. This suggestion was not adopted.

Many of us believed, that the discussion was over, but that is not the case.

Several e-mails have been sent around the island, strategically not including everybody; if you did not act on the first mail, you had a follow up email, text or phone call, pointing out among other things, how much volunteering was done by this family. People felt bullied and said, I just sign this, so they stop!

Everybody appreciates the hard work, which is done by all the volunteers, especially the Fire Department; I have never heard anybody pointing out their volunteering, until now.

It seems, people like what they are doing and enjoying it, but nobody has associated this until now with a special consideration. It is very sad!

Robin Ogaard, N013

I am writing to ask that you support the community petition to add 30 more days in the low season to the Absentee Moorage Policy.

During the low season, the marina is typically less than 1/2 or 1/3 full. Data collected this week on boats moored in the marina showed the marina at 54% empty on Saturday, 69% empty on Monday, and 70% empty on Tuesday.

The policy amendment that I and many other community members are asking the Board to make will not negatively effect the access of any Hat Island boat owners to the marina. Please use this data to guide your decision-making and approve our request.

Thank you for your commitment to serve on the Board and supporting all members of the Hat Island community.

Thanks

Robin Ogaard

N13

Aimee Caccavale- A003

Community Input:

I would like to address Steve Jeffries as a community member of Hat Island and not necessarily as a representative of the HICA board. My feelings on how you have approached your clear disagreement on the off season moorage policy is something I would like to comment on. I have been contacted by numerous islanders who felt bullied and harassed into signing your petition or some who at the very least felt your relentless emails and attempt to contact them was out of line.

While I appreciate and applaud your dedication and volunteering on the Hat Island Fire Department, I also appreciate and applaud EVERY single volunteer that devotes their time to committees, the board and their time and energy to make Hat Island a great place that I now call home. It is because of ALL of these people that this island runs and functions in a matter that is equitable, fair and hopefully budget conscious for both full and parttime residents.

There have been MANY policies or procedures that I have not agreed with, both as a HICA board member or as a resident, however my belief was out voted by the board or more likely the dedicated committees that work so diligently to do what is best for the community. I shudder to imagine if I "took to the streets" of Hat Island every time I disagreed with one of these decisions to create a petition and rally support around my belief of what I felt was "right for me" This island would be paralyzed with a funnel of information and rallies of support from people who disagree with a specific policy.

My opinion on the moorage issue does not matter in regards to my community input. What I feel needs to be addressed is your approach and behavior around this "campaign" My sincere hope moving forward is that all Hat Island homeowners can agree to disagree at times, however also allow the community of volunteers to come together and make decisions that are in the best interest of the majority island residents. There is every opportunity to make our opinions known at board meetings when these issues come about and that is why I encourage people to get involved and give their feedback. Whatever the final decision is on off season moorage, I hope

that we can all recognize that moving forward this type of approach does nothing but alienate neighbors and friends and create unnecessary time and energy that could be utilized elsewhere.

We vote on board members to make the best decisions and be responsible to the community for the important decisions and immediate needs in the best interest of the island. I encourage anyone who has issues or wants to contribute to join a committee of interest to them and hopefully hear all sides and opinions of various issues and decisions that are so important to keep our community running.

Once again, I would like to thank each and every volunteer for their dedication and service to Hat Island and helping to make decisions that impact us not only today but in the long term. I am proud to call this my home and work side by side with many of you.

Karen & Greg Conner, G050

It is our understanding that the HICA Board asked for feedback from the Community regarding extending the absentee moorage rules for low season as part of a general email from the office. Subsequently the Board determined during the August Board meeting that no change should be made to the low season absentee moorage rules. We have received your emails and texts and understand you are very passionate about this issue. I hope you understand that your volunteer efforts are greatly appreciated, but we agree with the Board decision to not change/extend the absentee moorage rules.

We wanted to share our thoughts and have included the Board and office in this response since there was a previous email asking for feedback on this topic. If this decision is going to be revisited based on Community feedback, perhaps there should be formal communication to all owners with the background, pros/cons, and all potential options. If there is going to be a change to the current policy, it seems like the daily rate could also be considered. But the combination of free absentee moorage extension and daily moorage cost decrease could result in an increase in use of Hat marina for longer term absentee moorage in lieu of moorage/trailing on the mainland.

It is our understanding that HICA moorage is intended for use by owners while they are on Hat Island, not longer-term moorage for owners who are not on the island. While there is a flag reservation process to reserve your vacated slip for same day return, the slips are on a first come basis and whether the owner uses their property on a full time, seasonal, or weekend basis has no relevance.

You note that the marina is only 1/3 to half full during low season, which we understand to be Oct-April per the current Marina Rules and Regulations. This lower occupancy during low season could at least partially be due to the current limit on absentee moorage. If owners could leave their boats unattended for 60 days during low season, I think it would be tempting for owners to leave their boats in the marina and transition to the ferry once the weather transitions. Especially with all the increased awareness you

are generating around absentee moorage and the additional flexibility being sought. I think more people are now working entirely remotely or hybrid schedules and only in their physical place of work a portion of the week. One could spend Tues and Wed in the mainland office and the rest of the week on the island and only use 2 days of absentee moorage each week, for a total of 64 days of absentee moorage each low season and never even move their boat. Even if the owner had to pay for a couple week's worth of absentee moorage, this could still be cheaper than maintaining moorage on the mainland all year around. Even if the owner had to pay a full-time resident to be identified to the office as their "boat manager" while they are off the island, they could still realize a sizable savings over 7 months.

Extending the absentee moorage to 60 days could make Hat Island a very reasonable longer-term moorage option while taking the ferry during the reduced daylight hours and rough weather. If the Monday ferry run was eliminated, this could still be an attractive option since some of these additional days could be avoided by spending additional time on the island (working entirely remotely, vacations, and the Christmas/New

Year holidays). I feel that the current 30 days of absentee moorage during the low season is already accommodating "lifestyle flexibility". The current rules also provide an option for payment of additional absentee moorage if additional flexibility is desired. I heard a comment that payment of absentee moorage fees could drive owners to find moorage on the mainland and result in a loss of HICA revenue. Increasing the amount of no-charge absentee moorage also results in a loss of HICA revenue.

You pointed out that since you are full time residents, you are able to contribute substantial volunteer work to the Community. The island is supported by many volunteers – fire department, work projects, Board and committee service, supporting the office, etc (sure I missed some). In keeping with the "can do" attitude you noted, many folks sacrifice part of their limited time on the island to volunteer. I want to reiterate that your volunteer support is appreciated, but I don't understand why this is being raised in the context of a change in the absentee moorage which would enable spending additional time away from the island, or the same amount of time off the island but with little or no absentee moorage fee. If there is not a request for consideration based on the amount of time an owner volunteers, I don't understand how volunteer hours relate to absentee moorage.

The ferry schedule changes and additional ferry runs were noted. I don't share the perspective that this almost exclusively benefits weekend visitors and non-boat owners. I believe this also helps boat owners by providing transportation when the weather is rough, boat repairs are needed, or friends and family are visiting for instance. I have heard many references to the increased number of people on the island. I believe a notable benefit to boaters is that increased ferry runs can reduce crowding in the marina by encouraging more people to leave their boats on the mainland or to forgo buying a

boat entirely. Note however, that if the no-charge absentee moorage is extended, it could have the unintended consequence of low-cost long-term moorage when combined with the ferry service, potentially even without some of the additional runs. During the August Board meeting, one owner expressed the belief that marina crowding is already becoming an issue. Unfortunately, the marina is probably the most challenging resource to expand to accommodate more users. Additional runs can be added to the ferry schedule. It may be feasible to add water storage tanks for more well water and RO water capacity. But I think options for the marina are more challenging.

I also wanted to note that I believe that the HICA resources like the ferry, marina, and golf course benefit all lot owners regardless if they personally use them. Hence, everyone's regular assessments contribute to some of the cost of these amenities and the rest of the cost is covered by user fees. Increasing the no-cost absentee moorage decreases marina income from user fees, which I think pushes more of the cost burden to the general assessments (which of course impacts those that never use the marina). I hear your point that the marina is not currently very full during low season,

but I feel that users should still pay the fees even when the load is lighter. The ferry loads are generally lighter during low season, but all passengers are expected to pay for their passage even if there are many empty seats. Yes, the ferry will run even if there are empty seats. But free passage reduces the income from ferry fees and pushes more of the cost to the general assessments (which of course impacts those who never use the ferry).

The same example can be made for the golf course, which is why there are fines for not paying for green fees, regardless of how many golfers are on the course.

We have also considered up-sizing our boat in the future. Our recent lifestyle changes (retirement) also means we will spend more time off island during the low season. If we ever up-size our boat, we know that we will have increased moorage costs and reduced flexibility in accommodating when we are off island for extended periods since we may not be able to trailer our boat to our lot. I feel that the current allowance of 30 days absentee moorage during low season is reasonable and provides the flexibility of purchasing additional time if desired.

I hope you understand that our support for the Board decision to not increase the no-cost absentee moorage does not mean that we do not appreciate your volunteer support.

Brad Tinius, M030

The minority's analysis and reasoning to maintain the current 30 days: There are five key themes: 1) Though it is true that the marina always has space in all the slip lengths

during the low season, the guiding principle remains the same, "The marina is for the owners with boats to come and enjoy the island." The demographic of boat owners is changing as illustrated by the rise of annual moorage permits from 110 to 150 in three years.

Limiting the presence of boats where the owner is not on the island is one strategy to preserve the potential of having open slips to owners."

Response: Have you considered any of the actual data or facts? Even when the marina was smaller, there was never a time during the low season that the marina was full. Now with the expansion, the marina remains largely empty during the low season. Our own island manager provided actual data regarding dock space in the low season. 98.8% of the marina dock space was open each month to boat owners not using absentee moorage. There is always room for owners to moor their boats in the marina. Even if the slip size is not available, owners are asked to park where they can fit and move when the appropriate slip becomes available. The fact that guest boats are allowed in the marina during low season also speaks to the available number of slips.

2) 30 days is enough time during low season. With four major holidays during the low season, this allows a week to be away for each one.

Response: Are you telling me how long I am allowed to go on a trip?? And when I can travel?? If I have moorage anywhere else, I can leave my boat in that marina as long as I want. Hat Island is my home. If I want to travel to Australia during the winter months, I can't be gone more than 30 days when I've paid for annual moorage?? How does this even make sense?? Because I am a permanent resident on the island, I am restricted on my travel. So you make accommodations for full time residents by adding a Monday ferry at a cost to every owner but you can't allow me to leave my boat in the marina for an extended trip which costs the owners nothing??

3) Limited slips for larger boats. Absentee boat owners tend to have larger boats and ones that do not have a trailer. The marina has very few slips 40 feet and larger. Allowing more of these slips to be used by absentee boat owners lowers the potential of slips for the other owners of larger boats to dock and stay at the island.

Response: Again, see above. There is plenty of space in the marina during low season. If one day, the marina can't accommodate a larger boat, move the boat to the end of the 22' slips (B Dock).

4) If an owner wants to be away from the island, there are ample options in the low season to store their boat. The impact to the owner is paying higher fees than the Community charges for annual moorage. The reason for the request to change this policy from 30 to 60 days is one owner's complaint that their annual moorage should pay for their boat's storage while they are away.

5) The ramifications for allowing more days are: (a) the likelihood of more work for the staff to deal with emergent issues on an absent owner's boat caused by severe weather during the low season and the increased of wear and tear on the docks. Though boat owners have identified a person to watch their boat, doing a consistent and quality job for 60 days is doubtful, and the burden to respond to a boat would fall on the paid staff. (b) Leaves limited opportunities for boat owners to "work the policy" and attempt to use the marina for long-term storage. In conclusion, the current number of 30 days is reasonable, there is no evidence of a sufficient need to change, and the Community's assets, that is the marina, are impacted for the sole benefit of the owner who does not want to pay for a traditional marina.

Response: We have paid for annual moorage. What does annual moorage mean? It means you've paid for moorage in the marina for 365 days. Has any owner even been turned away during low season?? As to the possibility of owners to "work the policy", do you think that someone would "store their boat" here for 60 days and then, what? Move it somewhere else for 60 days?? And what exactly is the Harbor Master's job if not to keep an eye on the marina and the boats therein?

It seems to me that the board is basing their opinion on fear instead of looking at actual facts and data. Why not have a trial like with the Monday ferry and see the effects?

Kristine Distel Bennett, E035

Hi Kim, I would like to support the extended low season moorage in the marina. In the 20 years I have lived here the marina has laid empty for winter. In the worse case scenario, a natural disaster damages the marina and a boat left by someone off island should not really be cause for alarm as the individual would have and is required to have insurance. And if such an event should occur, it could be to someone who left their boat in the marina and took the ferry in for the. What's the difference?

The troubling part is the possible fraud and manipulation of the vote by the committee. We have been through this on several occasions in the past regarding rigged elections, secret meetings of some board members behind the backs of other members then having hurried votes on matters that the excluded board members knew nothing about. This is a bad president to set. Many of us are wary of hidden agendas of board members. This appears to be a meaningful issue for many owners and should be granted the appropriate amount of time to be heard. 9 minutes!!!

This policy would also prevent someone from storing their boat here for in indefinite amount of time by someone who doesn't live on island full time.

John & Joyce Hammel,

Let me start by saying I'm not interested in making any enemies. As a full time resident, what Steve says makes a lot of sense! The marina is mostly empty in the off season, and we used up our allotted time off the island quickly, what with my medical appointments in Boston every three months (I'm participating in a study) coupled with visits to two of our daughters who live on the East coast, and the need to have some sun and warmth every so often for a few days. We ended up paying about \$500 extra for moorage on Hat, then another \$600 in Everett, all of which could have been avoided if we had additional moorage days here while gone. We are definitely not absentee boat owners; just that life requires travel and time off the island. Anyhow, not trying to make any trouble, but maybe the board and marina committee could be flexible enough to give it a try. If there is abuse of the system, Lower the boom again! But I think it's worth a try.

Bill Townsend -A24

These comments are about the 30 day vs 60 day low season moorage.

I want to refresh the board, This is directly from the July minutes.

The marina committee, reported by John Gray, voted 4 / 3 to extend the moorage to 60 days in low season but since it was a close vote he suggested community input. Well community input of 100 Islanders are now supporting a change to 60 day low season moorage.

Steve Jefferies will present some supporting information, and usage details and the facts are clear the marina committee voted to extend the time and 100 Islanders agreed.

So as a member of the marina committee: I question the marina report presented by Rusty, because at the October Marina Committee meeting no members questioned or discussed the Community feedback, (100 in Favor) or the original 4/3 vote.

How many times are you allowed to vote ---- to get your desired result.

Thank You

Erik: Let me just interject. We have 13-14 Committees. The Board looks at them as expert consultants and seek their feedback. The 4/3 vote that John Grey reported, but

he said there was not a consensus and he did not recommend the Board changing. That is how it was presented to us. Two different community reps John and Rusty have not recommended a change which is giving the Board pause. With that being said the Marina committee has not made a recommendation to the Board. Urge owners to get involved in committees to help feed the board with good input.

Dan: Couple quick comments. When we went through the budget it is clear that the marina is subsidized to a considerable extent by assessment. The question is who should pay? The marina is there and provides value to the lots, it is also there and provide value to those who use it the most, so we split the different. Yes, it is an annual fee, but that annual fee is very low. Capacity, I know Steve believes his logic is iron clad. However, if you can use something for free because there is capacity then why doesn't that apply to golf and ferry? It is slow season and no one is using it, then why can't you just walk on? There is an issue there. Finally, as far as the feedback from the community is concerned. The survey should have gone out from the marina committee.

It should have had the pros and cons. I have heard enough about the process of how it was conducted that I question some of the numbers. If we are going to go forward we need to use a better methodology.

Don: I was taken by Karen Connors email, that I don't know everything about the marina. More to this than this quote data tells us. Marina is a finite resource, there are no more spots. How we take care of it, charge for its use needs careful review. Look at it more carefully make a better decision. This would be a significant effort from the harbor master and staff to better understand before vote. I really like Kurt Kassahn's compromise, but we need more info.

Chuck Howell & Charlene Day, J23

We are writing to ask that you support the community petition to add 30 more days in the low season to the Absentee Moorage Policy. During the low season, the marina is typically less than 1/2 or 1/3 full. Data collected this week on boats moored in the marina showed the marina at 54% empty on Saturday, 69% empty on Monday, and 70% empty on Tuesday.

The policy amendment that we and many other community members are asking the Board to make will not negatively affect the access of any Hat Island boat owners to the marina. We appreciate your consideration of this request.

Thank you for your commitment to serve on the Board and supporting all members of the Hat Island community.

Chuck Howell & Charlene Day J 23

Sharron Meadows, A034

Dear Board of Trustees and Marina Committee Members,

When attending the August 2022 Board Meeting it was my understanding that increasing moorage to 60 days in low season while not on Hat and having someone listed with the office as being responsible for frequently checking your boat had passed 4 to 3 by the Marina Committee with the former Chair commenting that maybe additional consensus from the community would be good.

At the September 2022 Community meeting it seemed that chats or possible emails were coming in during the meeting. A question was asked "which way are they leaning?". The answer "against". How many comments came in? Was there a community survey? If so I missed it.

At that point things became sloppy.

We could listen to the informational usage numbers for Low Season and go with the original vote and try the extension to 60 days this 2022-23 Low Season or we could have a community survey after being supplied with the usage information.

If tried this extension in Low Season 2022-23, new numbers could be collected and considered for 2023-24 Low Season. If changes needed to be made the Marina Committee could provide that information and appropriate recommendations to the Board.

If just a handful of comments came in during the September 2022 Community Meeting perhaps the 100 or so community signatures now

collected in favor of the extension to 60 days be considered with the "consensus numbers".

Thank you for your consideration of these suggestions.

Respectfully,

Sharron Meadows A-24

Erik: Kim- what was the mechanism for Sharron's feedback

Kim: I sent a community email on July 19, 2022. It was included in the BOT meeting. Board of Trustees seeking community feedback. Community provided 15 responses; 9 replies said no, 6 said yes.

Sharron Meadows, A034

Dear Board of Trustees, Finance Committee, & Community Members,

When we ALL bought property here on Hat Island we ALL bought a piece of the pie and knew that we would EQUALLY pay the same assessment per lot that was financially needed to run the island.

It wouldn't matter whether you developed your property or not, that DOES NOT HAVE ANYTHING TO WITH THE ISLAND'S EXPENSES.

The budget is crafted to meet WHAT FUNDS WILL BE NEEDED TO RUN THE ISLAND in 2023 (using this year's expenses & future projections) to pay staff, maintain machinery & fuel to run machinery, maintain ferry, maintain golf course, maintain the well houses, maintain & update RO system, the office, bathrooms, Commons Area, marina, electricity for community owned areas, insurance, attorney fees, unexpected repairs, etc., etc., etc.

No one likes increases but after observing the 2 zoom Board budget workshop meetings it is quite apparent there have been many cost increases to the island.

Sincere thanks to the Finance Committee and the Board for the immense effort & countless hours in developing a prudent plan to navigate these challenging financial times.

Everyone please attend any presentations on the proposed 2023 Budget, ask questions, make observations. It is an important time to participate.

Respectfully,

Sharron Meadows A-24

Anytime developed lots/ undeveloped lost arguments. The funds are needed to run the island.

Erik: Thank you Sharron. I echo your sentiment; everyone please get involved. We need participation, tell your neighbors.

Erik: Steven if I have you another minute or two, would you like to give a brief summary.

Sure, if you look at the second half of the presentation that I wanted to make, it addresses the objections that people have made in this meeting. If you read them you will see the objections have been addressed. What is very clear the community has spoken, far more than responded to the survey. If you want to do another survey, I doubt you will get the kind of response I got by asking people. We presented a 4/3 response from the marina committee and the Board chose not to act on it. What a I supposed to do? There was not an alternative other than going around and asking people. Those people received far more information than any of your survey people did. They had the opportunity to support it or not. Yes, I sent out a couple reminders and texts. That is how democracy works. If people think I am a bully I apologize. They had every opportunity to say no. I can't imagine that the folks that I contacted would sign onto something because they think Steve Jefferies is a bully. I have been subjected to character assassination. I am happy to let all of you who know me to be the judge of my character. This is been an incredibly frustrating long experience. The data shows there is no problem with the extending absentee moorage. The only thing that you have hear from Karen's letter, other letters is speculation. This might happen, what if, well then try it. If they are correct then prove me wrong. It will prove those 100 community members wrong. You did the same thing with the Monday ferry. I remember you were going to try it to see if it works. You did not have any hesitation starting the ferry. Let me just finish. What is the problem here? Give it a try, no one gets hurt. There is not negative either you are proved right or you will be proved wrong. Just try it. Thank you.

Erik: Thank you, to your point this being a democracy and Don's point about additional data. I would like additional data about the size of boats usage vs the marina in general.

Any policy change that I would consider would have to have include some sort of data that includes that type of analysis. One of the problems with democracy is it is slow. No motion today. Ongoing information and more data for the Marina committee to consider.

Ray: Don's point the marina is limited in size. We have an intern from UW long term growth. We know the number of vessel increases with the each year. I looked at Hat marina vs Everett marina. The cost of Everett for one month was what I would pay for a year on Hat. But I understood the 30-day limitation and liked the freedom to travel more in the low season so I kept my slip in Everett. Our marina is a finite size and as the community grows. We need additional information.

Kelly: Regarding the ferry Monday run. It is a different situation. The request to extend the off-season moorage is a request to do so for free. The request for the Monday ferry run was approved by the Board with the understanding that it needs to make financial sense. The people that ride the ferry pay to do so. We will continue to monitor to validate that it still makes sense. I do not think that the two are comparable.

Kim: On the Monday ferry run, I have data that supports it is not just full-time community members that use it. It continues to have enough rides to pay for the staff and gas.

Kim: I do apologize Toni; I did forward your email to the board this morning when I received it. There were so many emails I missed getting this one into the presentation.

Toni Jefferies: B27

Absentee Moorage 2nd Community Input

To: Hat Island Board of Trustees and Island Management
Board Meeting October 15, 2022

I was extremely disappointed to learn that at the August Hat Island BOT meeting the board did not support the majority Marina Committee recommendation of increasing the Absentee Moorage Low Season to 60 days.

I was surprised that until my husband, Steve, asked for the data from the office on the Capacity and Usage of the marina in the Low Season, this information was not being used to inform the decision-making process of either the committee or the BOT. We were told via email by a BOT member that in August the board simply tallied up the comments for or against the change to make their decision. This is why we gathered signatures from other island owners to provide support on the Marina Committee's recommendation of 60 days. When presented with the data showing overwhelmingly that Absentee Moorage during the low season has negligible impact on marina capacity and usage, I am even more dismayed that anyone would vote against at least trying an increase to the number of days and then gathering more data to make informed decisions. If the marina is too busy in the high or low season as some claim, without any data to back up this assertion, the data, shared by Steve proves, Absentee Moorage is NOT the problem!

I was also alarmed to learn that upon hearing about our gathering a list of supporters, the BOT directed the Marina Committee to REVOTE on the same issue!! Is that how a democratic vote is now handled, if you don't like the result, you revote? This also alarmed me because even though the data on Capacity and Usage was made available at the hastily reconvened committee meeting for a revote, it was not even discussed or considered by committee members who were able to attend the meeting.

We have always loved the "sense of community"/neighbors-helping-neighbors on the island. This is part of the reason for making Hat Island our ONLY residence/our home. I am imploring the BOT to look at and discuss the Capacity & Usage data, to make informed-decisions, rather than only listening to "what-ifs", suppositions, and issues unrelated to Absentee Moorage.

In my August comment on this issue to the BOT I outlined why we and others need more than 30 days in the low season. Some of you talk about a user fee, but if no additional service is attached, it is a FINE. I try to be a rule follower and honest person, but it seems to me that there is something seriously wrong when I am being "FINED" for wanting to visit my grandchildren! Especially, when the marina is half to less than a third filled during the low season and with an average of less than 2% of those boats

being Absentee Moorage boats!! Again, the requested change to 60 days Absentee Moorage will have negligible impact on CAPACITY & USAGE!!

Thank you for serving our community and seriously considering my input and the support of my fellow owners,
Toni Jefferies
B-27

Toni: I would like to add that this last year we incurred 1.5 times our annual moorage fee in fines for going over the 30 days and I think that is wrong.

Erik: OK Thank you. No other input. No consensus today.

Erik: We are ending the community input session. It is 1:22pm and we have been at this for 3 hours. We will take a brief break and start executive session at 1:35pm

Erik: It is 2:19pm returning from Executive Session

Dan: I motion to modify the past due receivables payment of a lot owner based on the recommendation from our attorney.

Ray: second

Vote:

Erik Smith- President	Yes
Ray Stephanson – VP	Yes
Don Stark- Treasure	Yes
Kelly Dukes- Secretary	Yes
Aimee Caccavale- Trustee	Yes
Dan Jensen- Trustee	Yes
Roloff Barger	Yes

Vote to adjourn

Vote:

Erik Smith- President	Yes
Ray Stephanson – VP	Yes
Don Stark- Treasure	Yes
Kelly Dukes- Secretary	Yes
Aimee Caccavale- Trustee	Yes
Dan Jensen- Trustee	Yes
Roloff Barger	Yes

Meeting Adjourned at 2:21pm