

Agenda

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

Sat Dec 16, 2023

10:47am via ZOOM

Attendees:

Erik Smith- President	Virtual
Ray Stephanson – VP	Virtual
Don Stark- Treasurer	Virtual
Kelly Dukes- Secretary	Virtual
Roelof Burger- Trustee	Absent
John Lundeen -Trustee	Virtual
Steven Jefferies- Trustee	Absent
Kim Gleason- Island Manager	Virtual

Agenda:

Approve meeting minutes from Nov 18, 2023

Presidents report

- Legal update
- PUD update

Island Manager Report

Treasurers Report- Don Stark

Old Business

- Presentation for approval of Marina Rules and Regulations with changes to align the document with the Visitor Guidelines

New Business

- Presentation of the Port of Everett, 3-year contract for approval by the Board of Trustees
- Presentation of the new 2024 Employee Handbook

Community Reports:

- Water Committee Report- Roelof Burger

Community Input (3 minutes per owner)

If you would like your comments on the Power Point, please submit to hioffice@hatisland.org

by 9:00am on 12/16/2023, message in the chat room to be recognized.
Erik called the Regard HICA Board meeting to order at 10:47am (immediately following the Special Session)

Approve meeting minutes from Nov 18, 2023

No corrections

Meeting notes are approved as distributed (Erik abstains as he was not present at last meeting)

Presidents Report

Legal Report

Update on the Matt Surowiecki lawsuit. 2 sperate foreclose actions were consolidated. We received Matt Surowiecki' s answer to our amended complaint and his counter claims. Our legal counsel will be filing an answer to his counter claims and then move forward to discovery and motions practice. We are seeking to extend his personal liability to the debt of his dissolved LLC's.

PUD report

Members of the Board meet with PUD on Nov 28, 2023 regarding the new 3 phase power project. Good news that there is no eel grass in the proposed path of the cable. The Port CEO has placed a condition on the easement that would require PUD to relocate the cable away from the Pigeon Creek terminal should the Port want to use that area in the future. Agreement expected in the next several weeks. Permits are in work and will be submitted once the location is finalized. Request for proposal will be issued in January 2024 to purchase the cable in 2025. Cable expected to be placed in fall of 2025. Cable pricing has increased. Estimated cost has increased from ~\$4.5M and grown to ~\$10.0M. This will increase the cost to Hat Island. For our current power cable, owners with power on their property pay a daily usage rate of \$0.79 cents. This increases to \$0.81 cents in 2024 (known increase) The estimated daily usage free in 2026 will now increase to \$1.32 a day. Alternative daily used structure has been proposed if HICA would prefer a longer phase in period, or longer amortization period. Information will be posted on the HICA website. HAT is one of the first communities to go smart meter (green)

Island Manager - Kim Gleason

Holiday cheers around Hat Island. As you drive around take a peek at your neighbors' decorations while listening to the sounds of holiday music on your radio. If you step outside, you may hear eagles singing their version of jungle bells. We are in the thick of the holiday season, As we get ready to wind up 2023, I wanted to reflect on the happenings and improvements we were able to make last year, and here is just a few of them. We updated the RO electrical system with control panels and removed the large filers that once dominated the space of the RO building. We added an inflation station to the RO station, so that owners with flat tires can get air at the marina. There is also a portable air tank there as well that you can take to your car. If you are at the beach and want to blow up your floatie, you can do that too. We added a wash off station near the Commons for our beach go-ers. The Community Garden added a fence to keep out rabbits. The failing dock near the ferry dock has been re-done. The dock was built by our crew. the first phase of the marina park improvement plan was completed and we are starting phase two. We have 8 pallets of pavers coming on the next barge. We installed a new emergency landing pad at the top of the beach hill. we stained A, B and C docks with a marine grade stain that prevents the docks from becoming green and slippery in the winter, We did a test of this stain 2 years ago and those docks did not get green and slippery. This will help prevent slips and falls. We will stain the south docks next year. The T box off hole 6 was rebuilt by volunteers. Our crew completed the USS Friendship play ship for the littles of the island. The disk golf course was completed. The maintenance shed extension was completed to protect our heavy equipment. we rebuilt the output drainage of the pond. The ferry

crew has reinstated some Langley runs. The Social Committee hosted 3 summer concerts at the Commons. The generators at the wells were wired to provide water to the homes on the G pressure loops during power outages. Our greenskeeper created a new sand trap on hole 6. Members of the Golf Committee have refurbished the practice green and reinstated the popular ice cream sales at the Caddy Shack. We updated the power-box lights in the marina. we spruced up the tennis courts with the Parks and Recreation Committee and added pickleball lines and equipment. the budget for 2024 includes resurfacing of the court. The Nature Conservancy began developing the Twin Cedars nature walk on what was once lot KA. We put up a new easier to read event calendar on the website. We repaired a standpipe. It has been a productive year for the staff and volunteers on the island. We wanted to thank everyone for their hard work.

Treasures Report December 16, 2023

All payables are current and our reserves & operating income, as of 11/30/2023 are as follows:

Money Market/Reserves/Investments:	\$819,342.70
CCB DND Bond:	\$ 1,509.03
Operating Income:	\$ 457,168.35

Budget has come in as planned, which indicates we are doing a good job of predicting our expenses. Our earning on the Treasury deposits brought in ~\$4,500 in interest income for about 1.5 months, which is great news. Thanks to Dan Jenson who initiated the endeavor and Larry Christianson Finance Committee Chair and Finance Committee and Kim for working all the financial forms. Assuming this continues we should see about \$4,000 a month in interest revenue which is outstanding.

Old Business:

Updating of Marina Rules and Regulations to align with the visitor policy- Ray presented on behalf of Roelof Burger and the Marina Committee.

Family can come by the ferry or boat and does not need to be meet upon arrival. Annual registration is still required, but this is much more welcoming.

Erik: Requests a motion to approve the amended regulations as presented by the Marina Committee. The old policy, only Dependent Family can use the marina in the owner's vessel. Revised rule: changes it to Family Members as defined in the Visitors Guideline, may use the marina, if they are in the owner's vessel. This makes the Marina and the Ferry Policy definition of Family Member consistent.

Ray: Motions
Kelly: Second

Discussion: This applies to people who show up at the marina, beach access lots handle this differently.

Roll call vote:

Erik Smith- President	Yes
Ray Stephanson – VP	Yes
Don Stark- Treasurer	Yes
Kelly Dukes- Secretary	Yes
Roelof Burger- Trustee	Absent
John Lundeen - Trustee	Yes
Steven Jefferies- Trustee	Absent

Motion passes

New Business

Approval 2024- 2026 Port of Everett (POE) contract

Ray and Kim have been working with POE parking. They are asking for a substantial increase in parking rates in downtown Everett. We did extensive research on rates in the Everett area and found that the rates they intend to charge are higher than other areas of Everett. They responded that they intend to maintain their pricing structure as it aligns with the rates they charge people who rent apartments at the Port of Everett. They are growing and developing so quickly the HAT parking in South marina at the POE may need to move Hat Parking to the north marina in the coming years. The Port of Everett is essentially a developer, and they are growing and developing a lot. We have tried very hard to lobby for better rates, but have not been successful.

Rates:

2023 \$687.00

2024 \$869.

2025 \$1,000

2026 \$1,234.80

POE states that the parking rates they are charging us is under market value. HICA has an agreement with the POE that includes garbage and the ferry.

Discussion:

Business owner on the island who is based in the POE has found the POE communication is poor, and the expansion of the POE is impacting his business. POE may be considering a ferris wheel. The apartments may become condos. Hat island residents are a large supporter of the business in the marina. Vehicle break ins and theft continues to be a concern. Be sure to continue to file police reports as well as notify the POE when a vehicle has been broken into or stolen. Discussed other potential locations for the future.

HR handbook

2023 approved budget to partner with an outside HR business. (all Things HR)

We performed an audit of our old manual and identified deficiencies.

We have updated our 2024 Handbook to ensure compliance to the law for both federal and state guidelines. It was money well spent and I still have access to a HR consultant should we have an employee issue and we require professional advice or assistance.

Motion to accept the handbook as presented

Kelly- Motions

Ray- Seconds

Roll call vote:

Erik Smith- President Yes

Ray Stephanson – VP Yes

Don Stark- Treasurer Yes

Kelly Dukes- Secretary Yes

Roelof Burger- Trustee Absent

John Lundeen -Trustee Yes

Steven Jefferies- Trustee Absent

Motion passes

Vessel Committee report- Aimee Caccavale

Vessel Committee (VC) meet on Thursday with the captain. Discussed purchase of the spare engine and the addition of the additional day of ferry service. We have had a difficult time finding relief captains this past year. The Captain has asked that we delay the implementation of the extra day until later this spring to allow our first mate Harrison a chance to complete his Captains license. Harrison has successfully completed his captains' course and it has been submitted to the Coast Guard. Harrison still requires additional hours to be granted his license and Captain Kyle has been mentoring Kyle in this endeavor and helping him in practicing in adverse conditions. This will allow Harrison the chance to apply for the second Captain once he has been granted his license from the Coast Guard.

Captain Kyle had another great idea, the savings from delaying the extra day of service can be used to purchase a portable trailer that can be secured and heated and easily transported to the ferry should we have another engine issue to quickly return the ferry to service.

2024 the Captain also is looking to make the ferry schedule times more consistent so it is less confusing. We will post this informational at the new bulletin board at the top of the ferry ramp.

Water Update 12/8/2023

Water produced in Nov:

Wells	384,840	4,847,940
RO	91,728	896,877
Total	476,569	5,744,817

During Nov the wells performed as expected as the RO production was up to 91,728

The production from this period was 70% more than November last year.

They water mix was 81% wells and 19% RO

YTD produce 17% more than last 2 years avg water usage

Discussion:

Water bills sending out. Ensure that your water is off when you leave. Water leaks are very expensive. Advice: Drain the faucets and close, upon return, open faucets and then turn on water. Keeps the air out of the lines.

Community input

Udo Gertz: The Port of Everett absolutely knows about the theft, and stolen cars. Parking slip holders' rule. In 2020 slip holders did not have to pay for Hat parking permit. Since then the rules have evolved. Slip holders that have one car in the marina for an extended stay (more than 72 hours- up to 29 days) paid \$210 for one car and \$420 for two cars. Udo spoke to POE and they agreed to continue that offer for Hat.

No more community input

Erik requests a motion to move to Executive Session at 11:43pm

Don- Motions

John- Seconds

Roll call vote:

Erik Smith- President Yes

Ray Stephanson – VP	Yes
Don Stark- Treasurer	Yes
Kelly Dukes- Secretary	Yes
Roelof Burger- Trustee	Absent
John Lundeen -Trustee	Yes
Steven Jefferies- Trustee	Absent
All approve	

Board returns to open session at 12:56pm

Erik: We have nothing to report and requests a motion to adjourn

Ray- Motions
Kelly- Seconds

Erik Smith- President	Yes
Ray Stephanson – VP	Yes
Don Stark- Treasurer	Yes
Kelly Dukes- Secretary	Yes
Roelof Burger- Trustee	Absent
John Lundeen -Trustee	Yes
Steven Jefferies- Trustee	Absent

Meeting adjourn 12:58pm