

Agenda

Hat Island Community Association Board of Trustees Meeting

3616 Colby Ave PMB 335
Everett, WA 98201
(360) 444-6611

Sat Feb 17, 2024

10:30am via ZOOM

Attendees:

Erik Smith- President	Virtual
Roelof Burger- VP	Virtual
Don Stark- Treasurer	Virtual
Kelly Dukes- Secretary	Virtual
John Lundeen- Trustee	Virtual
Stephen Jefferies- Trustee	Virtual
Roy Short- Trustee	Virtual

Kim Gleason- Island Manager Virtual

Agenda:

- Call meeting the meeting to order
- Approve meeting minutes
 - January 20, 2024 HICA Board Meeting
 - January 29, 2024 Special Session (Exec Session – Board vacancy)
- President's report- Legal update- Erik Smith
- Island Manager Report- Kim Gleason
- Treasure Report- Don Stark
- Old Business
- New Business
- Community Reports
 - Water Committee Report- Roelof Burger
- Community Input (3 minutes per owner)
- Executive session to discuss legal matters

Erik called the meeting called to order at 10:31am

Welcomed Roy Short to the Board.

First order of business to approve meeting minutes. There were different attendees at each meeting, the minutes will be presented in sperate motions.

Erik requests a motion to approved the meeting minutes from January 20, 2024

Motion: Don
Second: John

Erik Smith- President	Yes
Roelof Burger- Trustee -VP	Yes
Don Stark- Treasurer	Yes
Kelly Dukes- Secretary	Yes
John Lundeen- Trustee	Yes
Stephen Jefferies- Trustee	Abstain- Wants the Board to follow best practice for taking minutes

Motion passes

Erik requests a motion to approve the meeting minutes from January 29, 2024

Motion: Don
Second: Roelof

Erik Smith- President	Yes
Roelof Burger- Trustee -VP	Yes
Don Stark- Treasurer	Yes
Kelly Dukes- Secretary	Yes
Stephen Jefferies	Abstain-Wants the Board to follow best practice for taking minutes.

Motion passes

President's report- Legal update- Erik Smith

No much has changed with the Matt Surowiecki to lawsuit. We are always looking for opportunities for ways to bring this to conclusion. The Board did reach a tentative agreement on Lot D8 and we are working on the settlement agreement. Today we are meeting in executive session to meet with our attorney and a lot owner.

Island Manager Report- Kim Gleason

It's only February, but if you've read my email, you know that the unofficial start of Spring is when Costco has their plants, fertilizer and shorts in stock. Yesterday the sun broke through, the water was calm, and the ferry ran a full load of owners and friends to the island. It's a holiday weekend and owners are taking advantage of an extra day off of work and for some with children, mid-winter break.

We are starting the Hat Island gear up for spring. The new cab has arrived for our large flailer. It's being stored at Bayside Marine (thank you Jeff Lalone) until we can arrange to have it barged to the island. Rick DeFrancesco has been working on the new boat launch dock. We are waiting for the large glulam beams we need to complete that project as well.

We have had to say goodbye to Harbor Master Kyle Opstad as he prepares for his life off island. He has sold his home and making his final plans to head off to a new future. We wish him the best of luck. I have held four interviews for the Harbor Master position(s) and will be making an announcement sometime in the next week regarding who will be filling the job(s). It will look differently than it has in the past as the job will be split so that a team of employees will be able to job share. We hope that by doing this our workforce will have a more manageable schedule and not burn out by working every weekend year-round. Our community is growing and so accordingly we need to adapt to that growth.

We hope everyone is getting as excited as we are to warmer weather and summer owners coming! We will have the ice cream filled in the Harbor Master shack freezer, we will celebrate the completion of the USS Friendship and pickleball will commence with a newly resurfaced playing court and freshly painted lines.

Treasure Report- Don Stark

Treasurer Report for February 2024

All payables are current and our reserves & operating income, as of 01/31/2024 are as follows:

Investments: \$826,392.29

CCB DNR Bond: \$1,509.21

Operating Income: \$659,715.39

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

Respectfully,

Don Stark

HICA Treasurer

The investment policy has generated ~\$10,000 in interest income.
The 2024 budget is tracking to plan to date.

Comments:

The office has been reaching out of those with past due accounts and has met with good success in getting those balances burned down.

Old Business

none

New Business

Stephen Jefferies

I attended the Community Associations Institute meeting recently and listened to best practices on HOA's. One of the recommendations is that you regularly review you governing documents to see that they are up to date and if rules and regulations need to be modified. Validate if additional rules and regulations need to be added. I think this will be a great exercise for us as I believe that many are not familiar with our CCR's, Rules and Regulations, Fine Schedule, Vessel Rules, Dog Rules. These are a mish mash of documents written by different people. The recommendation of the Community Association Institute is that you have the rules in one document with an index so it is easy to find. If you look at our rules, they sometimes say

contradictory things. My recommendation that we set up some sort of process for reviewing them. It could be the Board reviews it or the Committees responsible for an area review it. Then the Board should look at it and have it compiled into a consistent format.

I don't think I need a motion; I am thinking this will just be a discussion on how best to do it. Maybe we just need to chat with Kim and work out the best way to do it.

Erik: This was not on the agenda, so if we want to discuss this we need a motion to do so.

Stephen: I should not have gone on about it.

Erik: I can request a motion to discuss island rules, if someone would like to sponsor the motion?

Motion: Don

Second: Roelof

Erik Smith- President	Yes
Roelof Burger- Trustee -VP	Yes
Don Stark- Treasurer	Yes
Kelly Dukes- Secretary	Yes
John Lundeen- Trustee	Yes
Stephen Jefferies- Trustee	Yes
Roy Short- Trustee	Yes

Let's spend 5 minutes discussing this.

Erik: I have been on the Board for over 4 years and we have taken steps to review and harmonize policies. The office, committees and legal have reviewed the rules to ensure we are compliant with the Revised Code of Washington (RCW's). If there are still conflicts, I would like that pointed out. Recently there was an update on Guests to ensure policies were harmonized. Since this is open for discussion, Steven, is there any particular area that you think needs focus?

Stephen: No. I have spent more time looking at the rules than most people. I think it would really help to go through and examine what is written. There are CCR's that are not being applied, there are rules that are not being applied. We need to ask ourselves do we want this as a rule? If we have a rule, it is only a rule if we actually enforce it. It is not a rule if we don't enforce it. We should not be calling things rules that we are not enforcing. I don't want to go through them all, there are a lot of them. The writing is incomprehensible, it has been written by multiple people and makes it tough to understand. I think it would help for someone to go through and have everyone look and see if it is relevant for the island. As I mentioned, this is a best practice to annually review Rules and Regulations.

Erik: The CCR's pre-date HICA and those run with the land. HICA rules can be changed but the changes may differ by Division. Outside of that, we have our By-Laws and Articles of Incorporation those are things that this Board does have governance over and can change though committee vote and have done so in the recent past.

We want to understand if there is any potential conflict, I would want that brought up.

Outside of that we have our Rules and Policies that fall under our By-Laws. There are Rules for marina use, there are rules for roads and how assessments are paid and policies for fees and

finances. Stephen, you have been concerned with Marina Rules. These have been given a lot of attention to ensure they are up to date. Changes continue to be made as part of an organic process when conflicts have been identified. I support making updates as needed, but we should put attention on areas of a known issue to be more precise, than just looking at everything all at once. If we think that certain committees have rules that are outdated then we could request the committee review and make recommendations. With that are there any Board members that would like to comment?

Don: We have a Governance Committee; this is their area of expertise. I recommend that a group of people with expertise rather than the Board may make sense. Stephen, perhaps you would want to kick this off by contacting the Governance Committee? They might use sub-committees or perhaps use specific committees to help them with this. It is a large project.

Erik to work with Stephen to locate the appropriate area and committees and engage the Governance Committee.

Any other new business?

Stephen: I have a second topic.

We should be looking at reports of key elements of the island. For instance, the vessel, we should have a comprehensive report on the financial operations of the vessel, usage and expense so we can make good decisions on adding or subtracting days. I would also like to see the plan for a replacement vessel. I think we should have a report on whoever does drainage as this has been brought up as an area of concern. I think we should have a report on the Marina Committee on the usage and finances. I suspect there are other groups. As a Board we should schedule reports and work with Kim on what we think are important and schedule a report for the Board to review.

Erik: If this is the topic that you wished to discuss now then we can go through the process of adding it to the agenda and opening it up for discussion.

Stephen: Sorry, you should have stopped me, yes, scheduling reports is my next topic for New Business.

Stephen: Motions that as a Board it would be responsible for us to schedule reports.

Second: None

Erik: Not hearing a second, we are not going to add it to the agenda this month. Stephen you can request that it be added to next month's meeting.

Community Reports

Water Committee Report- Roelof Burger

Water Update 2-12-24

Water produced in Jan:

	Jan	YTD
Wells	307,525	307,525
RO	125,157	125,157

Totals 432,682 432,682

During Jan the Wells performed as expected and the RO production was up to 125,157.

The production from this period was 41% more than Jan of last year. The water mix was 71% wells and 29% RO.

The YTD produced is 10% more than the last 2 years avg of their YTD amount.

Water usage is significantly higher than LY. Much is attributed to leaks that we are fixing as they are identified. There is one leak that they are still searching for in H Division. Div H galvanized fittings and multiple slides have buried the line 4 feet deep.

We have a drainage study but need a drainage plan. Keith Litchfield is working closely with a company for a drainage plan and is progressing towards getting a contract signed.

Community Input (3 minutes per owner)

This is a meeting of the Board of Trustees, not a community meeting.

Community comments are welcomed at the beginning of the meeting and on any action items of the Board. The presiding officer will announce when comments will be heard. Please be patient.

Any community member wishing to speak must obtain permission to do so from the presiding officer.

Please give your name and lot number and any group you represent before speaking.

All remarks must be addressed to the presiding officer.

Comments shall be limited to three minutes or less for each person on any given subject.

Any derogatory remarks will not be tolerated.

An update on the Marina Park Improvement Project: John Gray

The new walkway of pavers that connects the Office to the north ramp of the marina is 80% complete. About \$1,500 is needed to buy the additional pavers. THANK YOU to the owners who have contributed by buying a brick!

Look what we have done together.

Engraved bricks sell for \$125, \$250 and \$350 depending upon the size. These are a wonderful and lasting way to remember someone, recognize an important event, show appreciation or have a personal message about our island. Buy your brick through the Hat Island Office.

Over the last two years, about 60 bricks have been purchased and laid into the walkway. There is plenty of room for more! All proceeds are used to buy materials and landscaping. About \$16,000 has been raised and spent. We have more to do and want to build an additional bathroom, improve the north ramp landing and add a covered patio.

Do you have perennial plants that could go into the landscaping? We are looking for these and other plants to beautify our park. Contact John Gray at johnlgray425@gmail.com for information about this and the whole project.

Sharon Meadows- A24

Comment of reviewing of Rules: As a member of the Governance Committee, with every review, it does require legal review and advice, which is expensive.

Dear Board Members,

Been a while since I've communicated to community input...

I compliment the Board of Trustees for your communication and efforts in all community issues.

Congratulations to Roy Short, our newest Board Trustee. He participated in the 2023 Summer Strategic Planning Seminar on the Governance Table and was quite enthusiastic and engaged as a relatively new resident.

Community updates have been thoroughly informative. Thank you, Kim and the office staff.

Seems like the "wheels are greased" and we are moving forward. The Board is working diligently on some large issues so EVERYONE please follow the "bouncing ball". We should all be active participants.

Appreciative for all the time spent towards the best interest of our community,

Sharron Meadows A-24

Kim: Clarifying; sometimes we have new owners on meetings. For things like the By-Laws and CCR's for proposed changes, even for simple verbiage changes, and then the community needs to approve changes with the required majority approving it for it to pass.

Kurt Kassahn: On the proposed reports, keep it simple with quarterly reports from each committee.

Erik: Requests motion to move into Executive Session

Motion: Kelly

Second: Roy

Erik Smith- President	Yes
Roelof Burger- VP	Yes
Don Stark- Treasurer	Yes
Kelly Dukes- Secretary	Yes
John Lundeen- Trustee	Yes
Stephen Jefferies- Trustee	Yes
Roy Short- Trustee	Yes

All approve

11:13am the Board moved into Executive Session

The Board returned from Executive Session at 2:07pm
Nothing to report.

Erik requested a motion to adjourn

Motion: Kelly
Second: Don

Erik Smith- President	Yes
Roelof Burger-VP	Yes
Don Stark- Treasurer	Yes
Kelly Dukes- Secretary	Yes
John Lundeen- Trustee	Yes
Stephen Jefferies- Trustee	Yes
Roy Short- Trustee	Yes

Meeting adjourned at 2:08pm