

Agenda

Hat Island Community Association Board of Trustees Meeting

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

Saturday April 20, 2024

10:30am via ZOOM

Attendees:

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

Agenda:

- Call meeting the meeting to order
- Approve meeting minutes from 2/17/2024, 3/5/2024, 3/16/2024 and 4/10/2024
- President update
- Legal update
- Island Managers report
- Treasures Report
- Old Business
- New Business
 - Request to change cancellation policy for the Hat Island Ferry during the summer months from 24 hours to 48 hours and to 72 hours on holiday weekends.
 - ACC member appointment confirmation
- Community Reports:
 - Water Report- Board Representative
 - Vessel Committee Report= Committee Representative, Aimee Caccavale
 - Nature Conservancy Report- Committee Representative Laurie Gray

Meeting called to order at 10:30am

Roelof: I am Vice President, and I am chairing this meeting as today as President Erik Smith is attending to family matters.

Legal Update: No updates at this time. The Board continues to explore strategies to resolve litigation.

Approval of meeting minutes from 2/17/2024, 3/5/2024, 3/16/2024 and 4/10/2024.

Motion: Kelly
Second: Don

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

Motion is approved

Island Manager- Kim Gleason

Whales, whales, whales! Over the past few years, it seems the number of visiting whales on the island has increased, but the numbers we have seen this year are off the chart. This morning, we were talking about the three whales that have been seen doing a complete loop of the island between 8am and 9am every morning, then heading to Everett, and sometimes coming back again in the afternoon. How lucky are we!

The staff is in full spring prep mode as we prepare for the return of the return of our summer residents and weekenders. The maintenance team has been out cutting back grasses with our new flayer head so that walkers have space to travel. The Harbor Master Team continue to get the docks in tip top shape for the boating season. Chris continues to make sure that water is produced for our summer use. However, with that said the state of Washington has officially entered a drought year due to low snow pack. Please be cautious of water usage with that in mind. We encourage people about this time of year to be cautious how you use water. We encourage you, if you haven't to get a rain barrel or other container to save your rain water to water your garden. We will be sending out additional suggestions to people in the next few weeks on ways that they can conserve water. We need to conserve that water for drinking and for fires. Especially in a drought season we are more prone to having a fire happen. At the May fire drill, we are having someone come out and do wild fire training which we also did last year.

Congratulations to our current First Mate Harrison Lindgren in receiving his Captains license! He met with Kelly and I this morning and signed his contract as our second Captain that was approved in the 2024 budget.

We are currently in the process of hiring a full-time deck hand. Our goal is to go to the new ferry schedule on May 16, 2024. The new schedule will provide service to all islanders 6 days a week.

With the new schedule starting, low tides and summer activities, cargo runs will change times and in June there will only be one cargo run per month. Starting with the June 1st cargo run the ferry will open for loading in Everett at 9:30am departing from Everett at 11:00am. On Hat side the ferry will be available to load starting at 12pm and departing

at 1:00pm. This information is available on the event calendar. Be sure to check out the Hat Island event calendar for the latest information.

Hat Island website: <https://hatisland.org/>

Hat Island Event calendar: <https://hatisland.org/event-directory/>

As announced last month we have hired an engineering firm to create a drainage plan for the island. They have begun their work with creating a base map of contours at 5 foot intervals. The information that they gather will allow them to focus on areas of concern and 2 foot intervals. The team will out in May to do onsite work.

We have ordered the supplies and are proceeding with the plans for resurfacing and painting the tennis court and pickleball courts.

Couple of upcoming events. Today at 1:00pm on the Mermaid Patio next to the office is the Wild About Whales event. We have a special speaker from the Orca Network. The whale bell has been installed if you see a whale, ring the bell and place a sticker on the map where you saw the whale.

Next Wednesday, Thursday, Friday and Saturday is tree trimming and the annual golf course clean up. The flier is on the Hat Island Website for all the details if you can join the volunteer efforts. If you are needing firewood this is a great opportunity to stock your wood pile.

We are setting up another wood chipping day, if you need chipping done, please contact the office.

Monday May 13 PUD will be on the island switching out electric meters. Beach access lots have been switched already. It takes approximately 5 minutes per meter to change.

Wednesday May 15 through Friday May 17 the barge will run. Get your requests in so you can be scheduled.

Thursday May 16 recreational spot shrimp fishing is open from 9am till 1pm.

Saturday May 18 the Hat Island fun ferry trip to Langley- book now on Bookeo- Cost \$20.00 round trip.

Friday May 24 additional runs for the holiday weekend are being added.

Discussion: Tennis vs Pickleball courts; both sports are accommodated on same surface with different colored lines (tennis/white, pickleball/yellow). The court was last resurfaced 15 years ago. Repairs will include leveling and fixing cracks for an even playing surface.

Treasurer Report for March 2024 - Don Stark 2/29

The budget is tracking to our actual expenditures and revenue. Moorage revenue is down, we expect that it is lagging due to timing and expect it will increase when owners prepare to launch their boats for the year. Cargo runs revenue is also down to projections. There is a smaller cargo vessel operating on the island that has been able to offer services to islanders, so expect that has taken some of pressure off the big

barge. The Hat Island barge expenses are usage based, so we expect that our expenses will be reduced if the usage is reduced.

We continue to have success with the investment policy for treasury bonds and federally insured investments.

All payables are current.

INVESTMENTS:	\$836,404.44
CCR DNR BOND:	\$1,509.33
OPERATING INCOME:	\$777,004.22

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

Old Business:

None to report

New Business:

John: Request to change cancellation Policy for the Hat Island Ferry during the summer months from 24 hours to 72 hours and to 7 days for holiday weekends.

What has been happening is that during busy weekends we have a lot of double bookings which artificially inflate the bookings and get cancelled at the last minute which make it hard for the crew to plan what runs are needed. We are seeking to change the cancellation period to 72 hours, and increase it to 7 days for holiday weekends.

Kim: There was a revision to this from the Vessel Committee to 48 hours, and 72 hours on holiday weekends (vs 72 hours and 7 days). Reverting back to 24 hours in the low season.

Discussion: Does the space show up as available if a booking is cancelled? The owner cannot cancel, it would still need to be cancelled via the office. We are looking to see if we can fenagle Bookeo to make this easier. We are opening up booking 3 months in advance, previously limited to 1 month. It would be beneficial to have a way to allow Bookeo recognize the cancellation even if the seats were not available for a refund as it still looks like the ferry is full. Calls and emails to the office is the current way to notify. We have a dedicated person in the office what can help track and update. They will look into seeing if there is a way to update Bookeo to facilitate this- TBD. Want to make sure that we are serving people, this cancellation policy is not intended for revenue generation, but to make sure that we can get people to the island on available seats and make smart choices about adding additional runs if needed. It is important that if seats/reservation is cancelled, that it shows available to allow others to book available seats. We not only need this policy to ensure owners can get access to the ferry/island, we also need this in fairness to our crew. If large groups double or triple book and then cancel at the last minute it may have triggered additional ferry runs which have sometimes proven to not be needed, so the crew is being worked unnecessarily and triggers additional expense.

Question: Is the ferry running at full capacity post COVID? During COVID we limited capacity to 25 passengers. The ferry is currently running at full capacity. The ferry is Coast Guard approved for 48 passengers, but we have to account for crew and cargo, so passenger capacity is capped at 40.

Motion: John
Second: Kelly

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

Motion is approved

ACC Member appointment confirmation – Roy Short

Brent Hackney has served on the ACC and his term has expired. Brent's expertise has been invaluable to the ACC and he has skills that we cannot easily replace. Request the Board approve the ACC request to reappointment Brent's term through 2028.

Motion: Roy
Second: Don

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

Water Report – Roelof Burger

In March the wells performed as expected and the RO production was down (issues with the pumps). Production for the period was 70% less than March last year and the mix was 91% wells and 9% RO. We discovered yesterday that well 6 has a leak, due to galvanized pipes used to during construction, repairs expected this week.

Vessel Report- John Lundeen

Discussing with required maintenance with Bricks the manufacture, for the through wells that need to be welded to resolve some corrosion. The new engine is on order, will purchase a small trailer to hold this and other smaller items to be stored. Should we have another issue with our engine this will allow a quick change out and allow the ferry to quickly return to service. Discussed a steel structure to lift (gantry system) large items like the engine. Discussed the new ferry schedule as well and 2025 budget needs. Also discussed considering getting a backup transmission. Planned haul out in September to paint the hull. Discussed how far vessels should stay away from whales, which will be updated.

Nature Conservancy- Laurie Gray

Twin Cedars Nature Reserve is really starting to take shape. We have a trail created last fall, lots of native shrubs planted. Look for the pink flags, signaling where they are planted.

Wild about Whales event today at 1:00pm at the office. Lemonade and cookies will be available. Laurie Hanson from the Orca Network will be here.

Saturday June 1 bird walk with knowledgeable birder Anna, she is great source of knowledge. Look on the event calendar for low tide beach walks this summer. We are also offering Volume 1 of the Hat Island Jr and not so Jr Ranger program for people of all ages. Volume 2 is expected the 4th July weekend.

We are working to bring a geologist to the island this summer to talk about soil, drainage, bluff erosion. The Nature Conservancy in partnership with the Long Range Planning Committee are looking at ways to incentivize people to want to preserve green space and ideas for tree policies. Any suggestions, please reach out to Laurie.

Question: Are dogs ok in the Twin Cedars Park? Yes, they are welcome. The west side which is more wooded would be the better side to walk now. The east side has very small plants that will be much bigger in 6 months.

Safety Committee- Roy Short

During a recent freeze we had a homeowner with burst pipes that resulted in 155,000 gallons of water loss. The Safety Committee is exploring volunteer program in which homeowners can voluntarily register to participate and the volunteers would check water meters after an extreme weather event. This owner has turned off their water, but it was not fully in the off position and resulted in a significant water loss.

Long Term Planning Committee- Kurt Kassahn

LTPC has spent nearly 20 months developing this. The Planning Guide which turned into a Development Guide.

Purpose:

Development Guide was created for current and future Hat Island Property owners. It is intended to be used in the initial planning stages to the final development of their property. Covenants, CCR's, Resolutions and Island By-Laws referred to are currently in place. We have not added or amended the Governing Documents which provide overall protection for the island. The guide is to help owners navigate HICA's governing documents as well as governmental requirements relating to the building process, which includes clearing, landscaping, construction activities, plans and more. The guide does alter Hat Island governing documents or county, state and federal regulations. The participants was a collaboration of the Long Range Planning Committee, Governance Committee, ACC, the Conservation Committee and Board members as well as our legal counsel. We started by dividing the sections by area of expertise and sub-committee and then brought this back together in the larger forum and made multiple revisions nto enhance the document.

Chuck Motson started a version of this years ago and it has evolved. This is a living document and expect that additional revisions will continue.

Next step to have a final updated version for the community to review and provide comments and feedback over a 30-day period, then back to the Board for final review and approval.

Discussion:

There was a working session with the Board some time ago as well. Need about a week to ensure that we have the most recent updates are incorporated before it is posted for the community to provide input.

Community Input:

Duan Tinius M30

HICA Board and Island Manager,

Brad and I recently paid the fine for absentee moorage under protest. The office and the Board have told the community that all the rules are applied equally and fairly. However, when I walk or drive around the island, I note several instances of rules being broken. Of course, I have no idea if any of the owners are being fined but if I had to guess, I would say that most are probably not being fined.

There are several homes on the island that are in violation of the CCR -10 that states "Any dwelling or structure erected or placed on any lot in this subdivision shall be completed as to external appearance, including finish painting, within 9 months from the date of start of construction, except for reasons beyond control, in which case a longer period may be permitted by the architectural control committee". There are houses in B Division, J Division, K Division and W Division that are violating this CCR.

At least one property is (in B Division) violating the following CCR - 11. "No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one square foot, one sign of not more than five square feet advertising the property for sale or rent, but not excluding signs used by the exclusive sales agent or a builder to advertise the property during the construction and sales period".

There are properties violating the following CCR - 8. "No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become a nuisance to the neighborhood". Properties violating this regulation include a lot in M Division, a few in A Division and one in F Division.

Then there are multiple violations of rules. For example, in the document Vehicle Use and Parking Rules states "The vehicles of owners who park on their lots must park vehicles on their property, not in the island's right of way." There is a property in M Division that has a trailer that is largely located on the community right away. There is another property in M Division that has multiple vehicles on community property that haven't been moved in years. Another property in M Division had a vehicle located on community property for most of the winter months. There is a vehicle in the marina parking lot that has been there for at least a year full of junk. While the vehicle may get moved from one spot to the next, I believe it is still violating the spirit of the rule. These are just a few examples. In almost every division around the island, there are vehicles, machinery, and other items on community property.

Then we come to the By-Laws and the disregard for Article II, SECTION 7. "Suspension of Privileges. Voting rights shall be suspended for any member whose assessments for any lots owned by said members are delinquent. Privileges to use the facilities of the association shall be suspended for any member or owner, or his guests, whose assessments for any lots owned by him are delinquent. The President of the corporation may suspend privileges to use the facilities of the association for any member or owner, or his guests, as a penalty for violation of the Articles of Incorporation or By-Laws of

this Association, or the Rules and Regulations established by the Board of Trustees". I know of at least three owners who are not paying the assessments and yet are using their property. There is one in M Division, and two in G Division.

I am not including names or attaching photos of these rule or regulation violations because I do not wish to call anyone out specifically. In addition, I think the majority of these "violations" do not cause any harm to the island or the residents. This brings me to the matter of us being fined for having our boat in the marina 7 days over the 30-day limit during the low season while we were off the island. The marina is largely empty during the low season, even on weekends. I seriously doubt that the slip occupied by the sailboat was needed for another boat while we were gone. It seems as though we are being singled out when so many others are able to ignore certain rules with no consequences. Many of the CC&R infractions noted in my letter are not causing harm to anyone and most community members would agree there's no reason to strictly enforce them. But it seems to me that the island management is inconsistent in enforcing the By-Laws, CC&Rs and other rules on the island. It is unfair to impose some rules and regulations on people like Brad and me and others when our use of the largely empty marina is not harming or costing anyone.

In January, President Smith told the board that they have a fiduciary duty to ensure that owners are compliant with the CC&Rs and By-Laws. So is the Board planning to consistently enforce all of the CC&Rs, By-Laws and other rules? If so, dozens of property owners including Board members and office staff would face large fines. I don't believe this is the type of community that is wanted on Hat Island.

Brad and I are good citizens of Hat Island and plan to remain so. As full-time residents, we feel we are being discriminated against. I know a board member tried to equate annual moorage to an annual Disneyland pass with blocked out days. But this is comparing apples to oranges. Yes, an annual Disneyland pass cannot be used every day of the year. However, if a person has paid for annual moorage, are they not allowed to bring their boat to the island every day? Are they blocked from bringing their boat out on holiday weekends? I don't think so. My purpose in sharing this letter is to bring the inconsistency in the island's enforcement of its rules and regulations to the attention of the community and the Board and request that this issue be addressed.

Kelly: Thank you for your letter, I read this previously and again when it was sent again. Here are my thoughts.

- 1) This community is structured on Assessments and Usage Fees. This structure has been upheld by the Washington State Supreme Court.
- 2) Using more than the allotted time for moorage results in an additional usage fee per the Marina Rules. A usage fee is not a fine.
- 3) The ACC is prime to review CCR's. However, it should be noted that this island is aligned by Division and any change to CCR's require a vote of the owners that meets the minimum vote requirements to pass.
- 4) CCR-10, should an owner require additional time (more than 9 months) to complete the owner may request and the ACC may approve an extension.
- 5) By Laws- Article 11, SECTION 7 Suspension of Privileges. Use of facilities is suspended for members whose assessments are delinquent. You call out 3 owners that are not current, but are "using their property"

Access to delinquent assessments is privileged information

So, one of two options is at play:

Someone has provided information to you. If so, I want to know who?

Or you are speculating.

Neither of these scenarios is appropriate.

2) We cannot prevent an owner from using their property

We can suspend voting rights

We can suspend use of facilities- not prevent an owner from using their home

6) Inconsistences

I take my fiduciary responsibility seriously. You have repeatedly demanded that the rules of Annual Moorage be revised in your favor, because you believe the marina is not being used to full capacity, so therefor it is not fair that you have to pay when your allotted absentee time is consumed.

Again, the Marina Committee has heard multiple petitions from you and one other owner on record and the committee did not recommend any changes. The Board supports the Marina Committees recommendation.

7) I was the Board member that used the Disneyland annual pass reference. I made that comparison, because at the time you and another owner were asserting that an annual pass means 365 days a year, and therefore the annual moorage at Hat Island should therefore be for 365 days a year and have no additional fees for additional usage. Again, Disneyland does have annual passes that has exceptions and limitations as stated in the agreement. Hat Island also has written rules and limitations which is part of the agreement when purchasing annual moorage. Just because some someone has not used something does not mean that is available for someone to use for free. For instance, just because there are seats open on the ferry does not mean that you could ride the ferry for free. Just because there is an open slip does not mean you get to use it for free if you have exceeded your allotted absentee moorage. If the golf course is empty, it does not mean that you get to use it for free.

Don: How do we handle parking on community property?

Kim: The rules state that you can park on community property for 72 hours at a time and then you have to move your vehicle or property. We send a warning letter first advising of the issue and they have a certain amount of time to correct the issue. If they failed to remedy the situation a second letter is issued. This process has been vetted by our legal counsel. If there is something that the office is missing, there is a complaint form that can be sent to the office. The form is anonymous. A lot of owners do not realize how far community property extends. Community property is 30 feet in each direction from the center of the road. We have to be aware that some properties may have variances granted by the ACC for less than 30 feet. Some people may have cars on their property, if it remains on their property for some time, it could be considered abandoned and we could have it hauled off the island.

Roy: Comment in response to Duan's letter regarding inequity of enforcement of rules. In the court of law, we look for inequities in the same rule. My question for Duan is, do you have any examples of an owner who has not been assessed the additional usage fee for exceeding absentee moorage time limits?

Duan: Yes, I know of one. I don't want to call people out on this. It is the inconsistencies of how rules are enforced.

Roy: The only inconsistency is the rule at hand, not all of the rules. So are there inconsistencies in the one rule we are referencing here.

Duan: Yes, there is but I am not going to call the person out.

Roy: I am coming at this from an unbiased angle, I have not met you or Brad, just asking the question on the table.

Sandy Bettencourt J19:

Regarding potential ACC violations. The ACC worked with the Board to complete a complaint form this past month. The form can be filled out confidentially and allows an owner to document concerns. These are then routed to the appropriate committee, ACC etc. to investigate if the complaint is valid. Then Island Management proceeds with a notification of violation. If you submit a formal signed complaint, it would be followed up on.

Duan: What is the harm for instance CCR 10. Is that causing anybody harm?

Sandy: The ACC is striving to have common harmony on the island. With CCR 10 the CCR is creating a spreadsheet that track building progress. The ACC has granted an exception to the building timeframe, from 9 months to 18 months due to the building constraints on the island.

Building that are half completed are not ok. The ACC grants extension to the 9 months rule all the time. Owners that have exceeded the 18mos, are being contacted and asked to provide a timeline when the project will be complete. The harm is if you live near a property that is in violation it is an eyesore and that is not fair to neighbors.

We have letters that have been approved by legal to issue to owners who have exceeded 9 months and encouraging they apply for 18month extension which we grant all the time. We also have a set of letters for owners who have exceeded the 18-month period. We also are also following up with owners who have submitted an application, but have not moved forward to validate if they still intend to proceed and want a extension, so that we can clean up our books. Hopefully that answers your questions, Duan.

Duan: That answers one of my questions.

Roelof: Thank you Sandy that is great information. The Board has discussed this topic so it is not going unseen or unheard.

Kurt Kassahn J19: Comment on Marina fees: for those of us who are lucky enough to live on the island full time we are getting a lot more days use for that fee. I think my daily fee comes out to \$2.25 a day. Where else could you get that in the Puget Sound. Even with that in place, we are still allowed 45 days of absentee moorage. With all the savings we get as full timers, I don't understand why people get so upset about additional fees for absentee moorage. The rules are very clear and reasonable. I think this a pretty good balance.

Roelof: I agree, the current system helps to maintain the marina. An alternative is you could pay for the marina as you use it, but that would quickly cost much more than it does today with Annual Moorage and the Absentee Moorage Policy.

John Lundin: By extending the allowable absentee moorage as is being requested, I could literally park by boat at Hat Island and sublet my Everett slip and make money off of it. I don't want that type of situation happening. Maybe the Marina Committee could summarize why they arrived at their position as a reminder.

Sharron Meadows A24: Nickel Bros any updates on this yet?

Discussion: We validated they did have permits to land on the beaches, we are putting limited on time and fees. We have a draft of a revised policy, are awaiting feedback from legal and the ACC to review first.

Any houses in queue in the meantime?

No, nothing at this time. They do have a house on K that they will be lowering off of blocks. As soon as that is complete, they will be removing the equipment from our beaches

Roelof: Requests a motion to adjourn

Don: Motions

Kelly: Seconds

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

All approved

Meeting adjourned at 11:46am