Excerpt from Maritime Place Names:

Utsalady, Utsalady Bay & Utsalady Point

Located on the northern end of Camano Island, Meany (Origin 323) indicated the name comes from the Indian word land of berries. Another source insists the name was a corruption of the Salish name Atsula'di meaning "pointing corner" referring to the angle formed by the island as it points toward Whidbey Island. A favorite fable of mine was that the name originated from a Scottish settler whose wife was expecting. The morning after the stork visited, a neighbor hollered out, "What is it?" The Scotsman replied, "Uts-a-laddy!" Lawrence Grennan, Marshall Campbell and a third man named Thompson founded a spar camp in 1853. A ship carrying their machinery from San Francisco became stranded on the Columbia Bar. The captain threw everything overboard to lighten his load, and the spar camp went bankrupt (Hilbert et. al., 372; Dean 11). Because of the quality lumber in the area, mill work grew over the years. In 1857 Capt. Isaac Parker financed a mill at Utsalady. The new partnership of Grennan and Thomas Cranney (husband of Sarah Coope) took over the mill and began delivering spars and lumber early the following year. The mill had a capacity of 64,000 board feet a day. By 1860, there were fifty-six men, most working at the mill or spar camp, one woman (married) and her child (Joergenson VII; Dean 15). As was true in other seaports, Utsalady had its share of mariners who tired of onboard duties and jumped ship. One night four young men tried. Three of them, Peter Frostad, Andrew Olsen, and Hans Boreson were successful. Frostad settled on Whidbey Island southwest of Strawberry Point area. Olsen settled elsewhere on Whidbey. Boreson worked at the mill and homesteaded near Rocky Point. In 1899 he sold and settled in Livingston Bay. Locals in Puget Sound country well remember his grandson, Stan (Dean 20). Utsalady Bay and Utsalady Point are both named for the community. Davidson wrote: "There is a very extensive saw-mill located here, capable of a daily output of a hundred thousand feet of lumber; there is deep water close to the wharves, and capital protection in all weathers. Vessels reach it by the south entrance to possession Sound, through Port Gardner, and Saratoga Passage to Point Demock [Rocky Point]" (1889 Coast Pilot 601). In 1957 and again in 1969, the spelling was questioned. In both cases, the U.S. Board on Geographic Names agreed to the current name over the variant Utsaladdy (GNIS files).