

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JANUARY 14, 2010
7:00 PM

President Robin Scherting called the meeting to order at 7:05 PM.

Welcome & Comments – Robin Scherting, President

In Attendance: Robin Scherting, Thad Bickling, Kathyne Kent, Tom Ramsey, Leanne Ryan

Action on Minutes: Leanne Ryan moved, Kathyne Kent seconded to approve the minutes of the Regular Board Meeting of December 10, 2009. Passed 4/0.

Membership Report: Thad Bickling

No New Members

Treasurer's Report: Tom Ramsey

As of December 31, 2009, the Checking Account total was \$43,199.71. There are a total of 3 CD Accounts totaling \$322,606.90, and 1 Money Market Account totaling \$78,458.82 for a total of \$444,265.43 in cash and investments. **Accounts Receivables** As of December 31, 2009 Accounts Receivables totaled \$1,243.18. **Summary of Income/Expense Statement Review:** All three accounts are better than budget for the 12 months ending December 31, 2009. General Operations is 4,048 under budget; Water Operations is 23,496 under budget; and Marina is 2,825 under budget. These numbers also reflect year end totals. It is very important for the members to understand that with long range needed repairs to the community, at this time our reserves are inadequate and the amount in the reserves needs to be higher in case of an extreme emergency.

Manager's Report: George Castaneda

I apologize for not making the December Board meeting, but I was down with the flu.

During the wind storm a few weeks back, we lost the roof off one of our well sheds. The roof has since been repaired and new shingles replaced the ones that had blown away.

I have heard that some of our committees were concerned that their requests for the 2010 Budget were not included in the budget. I can assure you that they were. At least the reasonable ones were. The 200 gallon emergency water tank requested by Emergency Planning has already been ordered. The temporary grounds keeping position requested by the Environmental Committee and the utility tables for the Social Committee are definitely in the 2010 Budget. The Road Committee has requested that a study be done of our roads as a future project. The Marina Committee has three Capital Projects in the works. The Water Committee has requested that four shut off valves be installed, and chlorine shed be built. The request by the Pool Committee for a dehumidification system for the pool is more complicated but is being looked at and they have also requested a security camera be installed to cover the pool, the exercise room and the Marina workshop. There is \$1,500.00 in the Budget for the camera and I believe that several committees have offered to contribute towards this. The estimated cost is 2,400.00.

Around October of last year the Board and members attending the meeting held a brain storming session to develop a list of projects that all agreed needed to be done. The total number came up to forty one, some are easy and others not so much. Projects were assigned to Board members, some to Committees and some to my office. I will not list them all, just the ones that we are currently working on; One project was to set up a Town Hall type of meeting which was discussed at our Study Session on Tuesday. I would like to invite our attorney, Rick Shaneyfelt, to attend and answer any legal

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JANUARY 14, 2010
7:00 PM

questions concerning Cape George.

Another project was to improve Culvert Maintenance; this project we worked on through the year.

Speeding: When Lakeside Industries opens again in March, we will install two speed humps on Dennis Blvd. We have installed new stop signs throughout the community.

Attracting and installing a cell tower to improve reception; Thad and Leanne are currently working on this project and it was discussed at the Study Session.

Committee Reports: Building: Two Tree Removal Permits and One Building Permit were issued. **Fitness:** The Fitness Room has received a donation from Rocky D'Acquisto of several pieces of light commercial equipment by Body Smith. There are a few that duplicate stations that are on the multi-station unit we have by "Body Solid". For now we will see how it works to have them all. It is a little crowded but we are working to re-arrange things to make a better use of our space. We will request via newsletter that once we have it organized and rearranged that member's refrain from moving equipment. We also will request that people do not bring items into the room and leave them as anonymous donations. To date we have raised Thirty four hundred and forty dollars during our fund raising event. We feel this does show the appreciation and commitment our members have to the facility. We have confirmed with Georgette Semick that in 2005 there was a reserve amount put into the budget for equipment repair. We will ask that the amount be increased as soon as we appraise what this equipment is worth. Again this is a figure that has never been used but based on the value it is something that should be reviewed. The Fitness Committee, will be donating \$400.00 toward the security system being considered for the entire facility. We will continue to try to raise funds for another Nu-step machine. That should complete this facility. We then should only have to maintain it. I am concerned about the rust occurring on many pieces of equipment. I will ask members in the newsletter article to come to the town hall meetings and support the board in finding a way to save our community center and all its assets. **Water:** The meeting was held at 5 pm at the Office. The following attended: George Castaneda, Manager; Larry Southwick, Chair; Thad Bickling, Board Liaison; Stewart Pugh, Ed Skowyra and Zane Wyll. **Water System Plan status** – The Small Water System Plan has been submitted to the State Dept of Health for review. In addition, per Chapter 14 of the WSP, we need to adopt and file a "conservation goal to promote wise and efficient use of water (in system rules, bylaws, etc.)" by May 1, 2010. That needs to include a method and language to notify our customers that wasteful water use is a violation of our rules. That needs to apply to all current and future water customers. Thanks, Ed, for all the hard work and determination to get this project finished. **Well/Tank Site Map status** – Stew provided copies of the final mapping. There may still be a few corrections made as better information is obtained. It has been provided to NTI, but they need a fixed scale on the map. **Water operations** – Greg reported that the water meter reading data is going in the system properly except for the meters that serve the Cape George facilities and Donnie is working to get them done. Greg said he's able to account for about 97% of the water which is more than adequate. He said that the problem was an open valve that allowed the metered water to re-circulate back into the line ahead of the meter. It's working fine with that valve now closed. **Long Term Replacement Plan** – there is concern from the Board, and some of the community, that we need to have a Long Term Replacement Plan for the water system. Ed has discussed that with NTI and it's budgeted in the next couple years. The WSP (page 37) includes \$3,500 but it's likely more plus the cost to gather the system elevation data. It will require NTI to input our water system data into new water system analysis software (free from EPA) and conduct some system analysis. The intention is to increase the size of the water pipes to allow for fire hydrants as the old asbestos cement (AC) pipe is replaced and that requires the system hydraulic

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JANUARY 14, 2010
7:00 PM

analysis. There is no current indication of pipe deterioration of the AC pipe. We are not experiencing any apparent leaks and have not had any AC pipe failures, but we should be gathering information on the pipe condition, any time that we have the pipe exposed and gathering pipe coupons whenever a new water service is installed. We can have the samples tested to determine the condition but it's pretty apparent just from physical examination for any deterioration inside or outside. We could excavate a number of locations representative of the entire system, take pipe samples and have them tested as part of the replacement planning effort. The system was all installed within a relatively short period of years but we could replace it over an extended period of time unless we started to experience some leaks or failures that would accelerate the plan. Water lines where no fire hydrants were placed would remain at 4" size and wouldn't need to be replaced unless they did show signs of deterioration. Major capital improvements, in this case replacement, have always been done by assessment rather than funding it in the water rates because every property benefits, not just the current water customers. We are not funding reserves in the water rates for replacement but for major repairs as needed. We could establish a moderate annual assessment (to all properties) that would contribute funds to the Water Growth account instead of the operating fund for the long term replacement. We may also be able to find long term, low interest government loans (USDA) for funding part of the cost of replacement. Next meetings: Normal meetings are the first Tuesday of each month so **the next meeting will be on February 2, 2010 at 5 pm at the Office.** All are invited to attend.

New Business Information Items:

Charley Boulay will report back in February with more definitive results of the Marina Questionnaire.

The dehumidification project along with consideration of building needs will continue and be presented again in February by Jim Fling.

Thad Bickling will continue to gather information concerning cell tower placement in Cape George and bring information to February meeting.

Leanne Ryan will work with George Castaneda in setting up a "town hall meeting" in the next couple of months.

Discussion of fencing in children's play area has been postponed until more information is gathered (using volunteers to do the labor) until February.

John Hanks volunteered to work with Tom Ramsey to continue on-going discussions and development of a plan for long range planning using members/resources already available.

Tom Ramsey/Larry Southwick will present information concerning our water system.

New Business Discussion Items: None

New Business Action Items:

Motion 1: Leanne Ryan moved, Tom Ramsey seconded to deny the variance requested for Lot 26, 222 S. Rhododendron Drive based on the findings and recommendations of the Cape George Building Committee. Passed 4/0

Motion 2: Thad Bickling moved, Tom Ramsey seconded to include the Antenna Guidelines under the Building Guidelines. Passed 4/0

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JANUARY 14, 2010
7:00 PM

Motion 3: Tom Ramsey moved, Leanne Ryan seconded to appoint Thad Bickling as the Acting Secretary for the months of Jan., Feb, & Mar. 2010 in the absence of Dick Poole. Passed 3/0

Motion 4: Tom Ramsey moved, Thad Bickling seconded to approve the partial payment to NTI for work on the Small Water System Plan in the amount of \$830.00. Passed 3/0

Motion 5: Tom Ramsey moved, Thad Bickling seconded to approve the resolution to transfer \$830.00 from Water Reserves to the General Investment Account. Passed 3/0

Open Board Discussion:

Announcements:

February 9, 2010, Study Session at 3:00

February 11, 2010, Regular Board Meeting at 7:00 pm

Adjournment: Thad Bickling moved, Tom Ramsey seconded to adjourn the Regular Board Meeting at 8:45 pm. Passed 3/0

Submitted by:

Approved by:

Thad Bickling, Acting Secretary

Robin Scherling, President

CAPE GEORGE COLONY CLUB
SPECIAL BOARD OF TRUSTEES MEETING
EXECUTIVE SESSION
JANUARY 15, 2010

President Robin Scherting called the meeting to order at 2:00 pm

In Attendance: Robin Scherting, Leanne Ryan, Tom Ramsey, Thad Bickling, Kathyne Kent,
by phone: Bill Stull, and Dick Poole

New Business Action Items:

Tom Ramsey moved, Leanne Ryan seconded to move into an Executive Session for the purpose
of discussing the Manager's resignation and the search for a new Manager Passed 6/0

Executive Session discussions are confidential

Tom Ramsey moved, Leanne Ryan seconded to resume the Regular Special Board Meeting.
Passed 6/0

Motion 1: Thad Bickling moved, Tom Ramsey seconded to accept the terms of George
Castaneda's resignation. Passed 6/0

Motion 2: Leanne Moved, Tom Ramsey seconded to assign an ad-hoc Manager Search
Committee with Tom Ramsey as Board liaison. Passed 6/0

Motion 3: Tom Ramsey moved, Thad Bickling seconded to revise the Manager's job description
and to revise the roll of the outside accounting service. (Clarity) Passed 6/0

Adjournment: Thad Bickling moved, Tom Ramsey seconded to adjourn the Special Board
Meeting at 4:00 pm. Passed 6/0

Submitted by:

Approved by:

Thad Bickling, Acting Secretary

Robin Scherting, President

CAPE GEORGE COLONY CLUB
SPECIAL BOARD OF TRUSTEES MEETING
EXECUTIVE SESSION
JANUARY 27, 2010

President Robin Scherting called the meeting to order at 3:00 pm

In Attendance: Robin Scherting, Leanne Ryan, Tom Ramsey, Thad Bickling

New Business Action Items:

Motion 1: Leanne Ryan moved, Tom Ramsey seconded to approve Ross Anderson as a representative for Cape George Colony Club to Protection Island Planning Advisory Committee sponsored by DNR Passed 3/0

Motion 2: Tom Ramsey moved, Leanne Ryan seconded to hold a meeting in Cape George Clubhouse to educate and assist members with filling out their census forms. Date and Time still to be scheduled. Helen Rector is the Cape George representative. Passed 3/0

Motion 3: Tom Ramsey moved, Thad Bickling seconded to approve Rhebe Greenwald to be Finance Committee Chairperson until the end of July, 2010 replacing Georgette Semick who resigned. Passed 3/0

Tom Ramsey moved, Leanne Ryan seconded to move into an Executive Session for the purpose of discussing the current Cape George By-Laws. Passed 3/0

Executive Session discussions are confidential

Tom Ramsey moved, Leanne Ryan seconded to resume the Regular Special Board Meeting. Passed 3/0

Motion 4: Tom Ramsey moved, Thad Bickling seconded to approve up to \$200.00 per candidate (top 3 candidates only) for complete background checks. Passed 3/0

Motion 5: Tom Ramsey moved, Leanne Ryan seconded to align Procedures and Penalties Sections of FIN03 with Article IV, Section 5 of the By-Laws regarding "Members Not in Good Standing". Passed 3/0

Adjournment: Thad Bickling moved, Leanne Ryan seconded to adjourn the Special Board Meeting at 5:30 pm Passed 3/0

Submitted by:

Approved by:

Thad Bickling, Acting Secretary

Robin Scherting, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
FEBRUARY 11, 2010
7:00 PM

President Robin Scherting called the meeting to order at 7:00 PM.

Welcome & Comments – Robin Scherting, President

In Attendance: Robin Scherting, Thad Bickling, Tom Ramsey, Leanne Ryan, Bill Stull

Action on Minutes: Bill Stull moved, Thad Bickling seconded to approve the minutes of the Regular Board Meeting of January 14, 2010. Passed 4/0. Leanne Ryan moved, Tom Ramsey seconded to approve the minutes of the Special Board Meeting of January 15, 2010. Passed 4/0. Tom Ramsey moved, Bill Stull seconded to approve the minutes of the Special Board Meeting of January 27, 2010. Passed 4/0

Membership Report: Thad Bickling

Andrew & Melissa Blaine	31 Maxwell Ave.
David Irish & Carol Anderson	121 N. Palmer Drive
Faye Perkins	141 Spruce Drive

Treasurer's Report: Tom Ramsey

As of January 31, 2010, the Checking Account total was \$157,093.47. There are a total of 3 CD Accounts totaling \$322,606.90, and 1 Money Market Account totaling \$78,503.18 for a total of \$558,203.55 in cash and investments. **Accounts Receivables** As of January 31, 2010 Accounts Receivables totaled \$21,992.64. This high amount is attributed to uncollected funds from the tri-annual assessments that were due on January 31st. It is expected that this amount will be considerably lower in March **Summary of Income/Expense Statement Review:** All three accounts are better than budget for the 12 months ending January 31, 2010. General Operations are \$6,260.00 under budget; Water Operations is \$5,729.00 under budget; and Marina is \$971.00 under budget.

Manager's Report: George Castaneda

Donnie has done some repair work on our current pool system and placed two inexpensive fans in the vent section of the equipment room that has lowered the humidity level from 83 to 68 %. The perfect level is from 50% to 65%. Now that we know the fans work, I am replacing the existing fans with an industrial type .The vent section does not allow a fan larger then 24' high which kind of limits our choices. What I have ordered is two work station fans from Northern Tool Company Model No#2355340-2806 that weigh 20 lbs each, 3 speed, 120 V Motor, permanently lubricated for reliability, and they each push 6350 Cubit ft per minute at high speed and made in the USA. In talking with the Northern agent he states that these fans are made to run 24/7 and ideal for our pool needs. The cost of each fan is \$190.00 and that includes a two year full warranty. Payment will be made from Repair & Maintenance Building Account.

The Board is considering repairs to the Exercise Room exterior and interior walls and possibly the ceiling. These costs should be included with the cost of the dehumidification system when determining the total amount of the Special Assessment in the event we go out for one. I have offered Terry Stebens the job as Project Manager for the exercise room project and we had our first meeting there last Friday to determine what has to be done. We need to have written specifications that clearly state what will be done, by whom, when, where time limitations, materials to be used and how payments will be made. Once the specs have been determined bid invitations will be sent out to at least five contractors, hoping for at least three responses. Terry will be testing the walls next week and also talking to George Grams from Canada who did the analysis for the Pool building Project. Terry Stebens was the Project Manager on that job and worked closely with Abacus and Mr. Grams. Terry presented weekly reports and was always available to answer questions. It was a pleasure working with Terry.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
FEBRUARY 11, 2010
7:00 PM

I have had several conversations with Paul Boulanger of Seacoast who installed the current system in the pool in December 2003. Records in our office show that Seacoast was paid \$54,392.84. Paul feels he can repair this system and that it will last us for at least three years. If he can do that, it will give us breathing room to promote the Special Assessment. If the Board wishes to consider that option, I can have Paul appear before the Board. One problem is an outstanding bill of \$3,037.64 which Rick, the past manager, would not pay because he was not happy with Paul's bill. If the Board decides they want to talk to Paul, they will have to negotiate the amount.

Regarding the Security Camera, the Pool Committee has taken charge of finding the right camera. I do not have any liability concerns as long as the proper signage is posted. The purpose of the camera is to identify those people creating vandalism or causing mischief. We have a policy MIS 07 "Surveillance Cameras In Common Club Facilities" in place that we should comply with.

A few months ago I was asked by a Board member to contact our insurance broker and ask what liability Cape George faced by having the children's play area and unleashed dog area in close proximity to each other. The reply was very clear, one or the other had to be moved! I proposed at the time that we move the playground equipment behind the office. The Board asked me to get a proposal from Pro-link Fence who built the fence around the tank farm. They would also like the price of fencing materials, should we choose to do it ourselves. Hadlock Building Supply has quoted \$907.00 for a four foot fence and \$1,143.61 for a six foot fence with another hundred dollars for cement. I have contacted our attorney Richard Shaneyfelt for his legal opinion about our liability concerns.

Groves will be installing the three windows for the pool either tomorrow or sometime early next week. These windows were included in the 2010 Budget under Capital Budget Replacement and Repair. The estimated amount was \$1000.00 but will cost closer to \$2,000.00.

I have put a binder together of the Operating Procedures for the Office, the Pool, the Water Department and other miscellaneous information that should be helpful to the new Manager.

We have taken a tree down by the four way stop that was very rotten and in danger of coming down.

The two hundred gallon potable water tank that was requested by the Emergency Preparedness Committee has arrived.

All of our fire extinguishers have been inspected by Tarboo Extinguisher.

We had two complaints this month, one for a barking dog and one was for yard maintenance

Committee Reports: Building: Three Tree Removal Permits were issued. **Finance:** The Finance Committee met 1/29/10 to review financial reports, CD reports and Accounts Receivable in addition to reviewing yearend reports in preparation for the audit. Some questions were referred to George that he will examine and report back. There will be review participation of Finance Committee in the Audit process. Recommendations to the Board on some financial policy issues discussed are as follows: Although some corrections have been made to eliminate inconsistencies between the financial rules and the By-Laws, there are still some areas in Accounts Receivable procedures that need to be corrected to comply. Review, with CPA, treatment of delinquent accounts in financial reporting. Develop clear and correct office policy (possible rule change) for all Accounts Receivable. Payment Plans to include written contract. Committee vote of 3-2 recommends reduction of \$5,000 Manager's discretionary amount to \$3,000 until new Manager is reviewed. Although Clarity is doing some financial work new Manager's skills must include some accounting/bookkeeping ability for budget preparation, reserve designation and general oversight of all financial transactions. The

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
FEBRUARY 11, 2010
7:00 PM

Finance Committee would be glad to offer assistance to the Board regarding these items if needed.

Water: The meeting was held at 5 pm at the Office. The following attended: George Castaneda, Manager; Greg Rae, Water System Manager; Larry Southwick, Chair; Thad Bickling, Board Liaison; Brian Ritchie, Stewart Pugh, and Zane Wyll. Greg Rae has been invited to speak at the 7 pm February 25 meeting of the Environmental Committee regarding our water system, our drinking water and our water conservation program. Other members of the Water Advisory Committee may consider attending to join the discussion. As a follow up to a previous discussion, Greg has drafted language to be added to the Water Connection Permit Application form with respect to our water conservation program as described in the recently completed Small Water System Plan (SWSP). The draft language includes an agreement on the part of the applicant to "use the water efficiently for beneficial purposes only" and then goes on to define beneficial uses. It also includes an agreement to conserve water and abide by the water conservation program in the SWSP. The Committee discussed the definition of beneficial uses because there are other normal uses for water that weren't included such as washing cars, boats or RV's, pressure washing decks or driveways, etc. We don't envision regulating those uses. The real biggest water users/wasters by far are constructed irrigation systems that are left on all the time even though the timer is off but the system has undetected leaks. Another smaller but significant water waster is indoor plumbing that continues to run unnoticed such as toilets with flapper valves that don't properly seal the tank. Those are the issues that we need to target community education and cooperation. We already have a water rate system that somewhat penalizes the wasteful use of water by charging for water used over a daily average of 250 gallons per household. We discussed the potential for a revenue-neutral water rate change that would lower the allowed daily average to 200 gallons, lower the water rate for those using less and increasing the rate for those using more. We will do some evaluation of the water meter data at a separate meeting next week. Water conservation pricing is commonly used throughout the region. We can also increase our monitoring of water meter reads to identify households that have excessive water use and contact them to see if we can assist in identifying leaks or problems that the owner should have corrected. Donnie has done that in some cases, particularly where leaks are apparent. We could also assist owners with water audits to see if they have leaks, even if they aren't hitting the higher threshold. We'll continue to draft language to address water use, excessive water use and water conservation to be printed on the Water Connection Permit Application form. In mid-January, the Dept of Health mailed materials to the Manager regarding "Flood advice for drinking water systems," "Emergency disinfection for small systems," "Disinfecting your well in 5 easy steps," and "Emergency Funding for Water Systems." Those were all emailed to the Committee at that time. We discussed several issues raised in the "Emergency Funding" materials. We have already purchased a 200 gallon water tank at the request of the Emergency Preparedness Committee to be used for water distribution if we must shut down our water system. The tank could be filled from the wells or from the water reservoirs and trucked around the community to provide minimum amounts of water in an emergency where we have to shut down the water distribution system. One of the problems that happened in Port Townsend when they had the recent water main break that resulted in the "boil water" requirement and shut down all restaurants was the fact that the water main break was at the bottom of the system and actually drained all water out of the houses on the hill. The only way to prevent water from draining from houses on the higher part of our community would be to place a check valve in the service line, either next to the water meter or in the house somewhere. That may be desirable but would be a major project at significant expense to our customers. Another issue raised by the Port Townsend main break is the how and when to issue the "boil water" requirement to the community. That's addressed in our SWSP and all the DOH requirements but we may need to better identify our response plan to include that circumstance. The primary purpose of this particular document was to identify sources of emergency funding but it primarily applies to public agencies. We need to do some investigation to identify if any of these would be available to Cape George, a private community water system. Zane said that we have used the resources of the Evergreen Rural Water of WA (ERWoW) in the past. The other element is to verify just what our insurance covers, particularly with regard to an earthquake event. Thad said he understood we were well covered for the cost of the pipe, well and tanks but it doesn't include the cost to hire the contractor to make the repairs which is the bigger portion of the cost. George said that we have good coverage but will verify if it covers earthquake damage. **Next meetings.:** Normal meetings are the first Tuesday of each month so **the next meeting will be on March 2, 2010 at 5 pm at the Office.** Several of us will meet next Monday at 4 pm at the office to work on some of the details discussed above.

New Business Information Items:

Leanne Ryan & Charlie Boulay are working together to have a Town Hall meeting in June with the focus being the Marina Questionnaire and other related items.

George Castaneda is going to contact our attorney in regards to playground fence and insurance issues.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
FEBRUARY 11, 2010
7:00 PM

John Hanks will present data on long range planning schedules..

New Business Discussion Items: None

New Business Action Items:

Motion 1: Bill Stull moved, Tom Ramsey seconded to accept the proposed revision to Rules & Regulations – Personnel Section II – 4 – Evaluations. Passed 3/1

Member Participation:

Open Board Discussion:

Announcements:

February 9, 2010, Study Session at 3:00

February 11, 2010, Regular Board Meeting at 7:00 pm

Adjournment: Thad Bickling moved, Tom Ramsey seconded to adjourn the Regular Board Meeting at 8:45 pm. Passed 3/0

Submitted by:

Approved by:

Thad Bickling, Acting Secretary

Robin Scherting, President

**CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
MARCH 11, 2010
7:00 PM**

President Robin Scherting called the meeting to order at 7:00 PM.

Welcome & Comments – Robin Scherting, President

- Introduction of the new Manager, Art Burke
- Thank you to Search Committee, Emergency Preparedness and Finance Committee
- Welcome back to Dick Poole and Thanks to Thad Bickling for serving as acting Secretary
- Upcoming Board of Trustees Elections. Recruitment for nominations has begun
- Please be aware that unsolicited mail and/or phone calls are not appropriate and unappreciated

In Attendance: Robin Scherting, Thad Bickling, Kathyne Kent, Leanne Ryan, Bill Stull, Dick Poole

Action on Minutes: Dick Poole moved, Thad Bickling seconded to approve the minutes of the Regular Board Meeting of February 11, 2010. Passed 5/0

Membership Report: Dick Poole

Dan Mulvey 241 N. Rhododendron Drive

Treasurer's Report: Tom Ramsey

As of February 28, 2010, the Checking Account total was \$152,319.98. There are a total of 3 CD Accounts totaling \$323,091.65, and 1 Money Market Account totaling \$78,950.80, and 2 Petty Cash Funds totaling \$400.00 for a total of \$554,762.38 in cash and investments. **Accounts Receivables**, as of February 28, 2010 Accounts Receivables totaled \$11,081.52

Manager's Report: George Castaneda

On February 26 Jay Vandal performed the Club's annual audit and it went very well. We should get a draft copy by the end of March.

The specs for the Fitness Room project were completed and the Invitation to Bid packets were handed out to six contractors. The cutoff date for submissions is the 12th of March. The Board will decide on whom to award the contract and whether or not to go ahead with the project. If anyone would like to take a look at the packet, a copy is available at the office

Since our last meeting we have had two cases of vandalism at the pool which makes the case for a security camera system even stronger

Committee Reports: Water: The meeting was held at 5 pm at the Office. The following attended: Greg Rae, Water System Manager; Larry Southwick, Chair; Thad Bickling, Board Liaison; Ed Skowrya, Stewart Pugh and Rhebe Greenwald – Finance Committee Chair. Greg reported that his January 2010 report of water sold compared to pumped water was 92% on the Well 4 meter and 85% on the Well 6 meter. That comparison is important to the Dept of Health and Dept of Ecology to assure that we don't have a lot of un-metered or wasted water. Larry had sent out a Water Use Analysis Report (copy attached) prior to the meeting which was discussed. We've had problems with both the software and meter reading equipment since the new system was installed which has resulted in poor data. Donnie does go back out and check some reads that appear too low or high. Thad and Stew volunteered to look over the system to see if we can work out any bugs. We own it, we have to make it work. Meters are scheduled to be read next week and Stew might go along with Donnie to see how it works. Greg and Rhebe have exchanged information regarding discrepancies in the actual number of meters being read versus the water revenue reports. Is it related to 'snowbirds' or vacant 'for sale' homes that are unoccupied for extended periods of time? The billing policy is that they will be billed for water whether the house is occupied or not because we bill for the availability of water service and only for volume if it exceeds the annual limit. They will work with the Manager to assure that all houses are being billed whether occupied or not. There still needs

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
MARCH 11, 2010
7:00 PM

to be some discussion with regard to how shutoffs for unoccupied houses are handled. Rhebe presented draft language for amending FIN03, Rules and Regulations – Finance and Budget, to reflect proposed water shutoff procedures for delinquent accounts. There are numerous accounts that are delinquent, others that are on payment plans, and some that are delinquent on those payment plans. The Finance Committee is trying to improve collection for accounts receivable and propose that water shutoff be a part of it. Rhebe's draft was discussed and generally agreed. Rhebe will take this to the Board and then work with the Manager and staff to prepare the notification letters and implement the process. We also need to have a log for all shutoffs and get locks for non-payment shutoffs. Ed cautioned us to remember that these people are our neighbors and that we need to treat them like neighbors, not just customers. As a follow up to previous discussions regarding the language on our *Water Connection Permit Application*, Ed handed out proposed language for changes. Rhebe commented that we need to make sure it's consistent with the Club Rules and Regulations. Others can provide additional comments by email and Larry will prepare another draft for review and discussion. Greg had previously provided copies of water rates from other agencies as well as defining non-essential use and water use restrictions that can be used for our own conservation plan and member education. Next meeting. Normal meetings are the first Tuesday of each month so **the next meeting will be on April 6, 2010 at 5 pm at the Office.** Greg Rae provided a spreadsheet with February 15, 2009 to January 5, 2010 (324 days) meter reading information which isn't the official record but gives us data to look at use. There are a total of 493 customers listed on this report. The total use for the year was 27,340,332 gallons for an average of 171 gallons per customer per day (gpcpd). The allotted average is 250 gallons per customer per day for an entire year. They are billed for amounts over 250 average for the year. 87 customers used in excess of an average of 250 gpcpd. Of those, 71 customers used between 250 and 500 gpcpd, 11 customers used between 500 and 1000 gpcpd, 4 customers used between 1000 and 2000 gpcpd and 1 customer used over 2000 gpcpd. That last customer used excessive amounts from Feb 15 to Oct 8 and then the average use dropped back to well below the 250 so there could have been a large leak or some other reason. One customer in the 1000 to 2000 block had normal use until July, and then had typical irrigation use in July and August then extraordinary use in Sept, Oct and Nov before falling back into normal use which would indicate a problem period that was resolved. One customer in the 1000 to 2000 block was over the 250 every reading period and had a high period of 2010 gpcpd with most others over 1000. Another customer in the 1000 to 2000 block had three reading periods over 3000 gpcpd. Average use in gpcpd for the billing periods as follows: Feb 15 to May 4 = 130, May 4 to June 9 = 145, June 9 to July 7 = 289, July 7 to August 7 = 282, August 7 to September 9 = 234, September 9 to October 8 = 186, October 8 to November 6 = 118, November 6 to December 10 = 108, December 10 to January 5 = 117. As a comparison, my own average use over this period was 529 gpd with an irrigation system. I also do a lot of hand watering or setting sprinklers to reduce use of the irrigation system.. Feb 15 to May 4 = 154, May 4 to June 9 = 207, June 9 to July 7 = 1254, July 7 to August 7 = 1861, August 7 to September 9 = 954, September 9 to October 8 = 534, October 8 to November 6 = 73, November 6 to December 10 = 130, December 10 to January 5 = 209

New Business Information Items:

- Bids have gone out to six different companies for estimates to repair walls in the Fitness Room
- Town Hall meeting will be held in June, date still to be determined
- Discussion of changes in swimming pools hours will continue at the April Study Session
- Attorney Shaneyfelt has been on vacation. We do not yet have a response concerning fencing children's play area and insurance issues. This will be held over until the April meeting
- Stewart presented information to improve CG Office computers' security and stability. The accounting system TOPS will be installed on a separate computer. This will help with stabilizing the TOPS system and from losing any data.
- Discussion of an "ombudsman" to work with Manager for resolution of on-going member complaints will continue
- Discussion to continue regarding Long Range Plans and finding a key person to coordinate plans with the Manager, and committees

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
MARCH 11, 2010
7:00 PM

New Business Action Items:

Motion 1: Thad Bickling moved, Bill Stull seconded to approve the proposed changes in Manager's job description EMP02-a CGCC Job Description concerning the Manager's financial responsibility. Passed 5/0

Motion 2: Thad Bickling moved, Dick Poole seconded to approve the recommendation of the Finance Committee to make changes in Rules and Regulations CP08. Passed 5/0

Motion 3: Thad Bickling moved, Dick Poole seconded to approve the recommendation of the Finance Committee to make changes in Rules and Regulations FIN03. Passed 5/0

Motion 4: Thad Bickling moved, Dick Poole seconded to approve the recommendation of the Finance Committee to add a new form concerning Payment Plans. Passed 5/0

Motion 5: Bill Stull moved, Dick Poole seconded to lower the Manager's spending authority level for budgeted items from \$5,000.00 to \$3,000.00. Passed 5/0

Motion 6: Bill Stull moved, Leanne Ryan seconded to approve Karen Krug as a new member of the Finance Committee. Passed 5/0

Motion 7: Dick Poole moved, Kathryne Kent seconded to accept the resignation of Karen Frank, Chairperson of the Environmental Committee and approve Ann Candioto as Chairperson of the Environmental Committee. Passed 5/0

Motion 8: Dick Poole moved, Leanne Ryan seconded to approve the proposal presented by Jim Fling for purchase of a Security System. This will allow the Manager to move forward with the purchase of a Security System

Motion 9: Bill Stull moved, Thad Bickling seconded to intercede the previous motion and postpone the issue until the April Board meeting. Passed 4/1

Motion 10: Leanne Ryan moved, Bill Stull seconded to approve the Fitness Room Committee as the official sponsor of the 2010 Granny's Attic fund raising activity. Passed 5/0

Member Participation: Rhebe Greenwald would like to personally say Thank You to the Board and the Search Committee for their good work at hiring our new Manager, Arthur Burke.

Open Board Discussion: Their was discussion and approval by the Board concerning a request by a Member to hold a "Town Hall Meeting" at the Fire House with Fire Chief Pomeroy as the speaker.

Bill Stull spoke about the possibility of making adjustments to the budget to increase the amount budgeted for the Manager's salary.

Announcements:

April 13, 2010, Study Session at 3:00

April 15, 2010, Regular Board Meeting at 7:00 pm

Adjournment: Bill Stull moved, Thad Bickling seconded to adjourn the Regular Board Meeting at 8:45 pm. Passed 5/0

Submitted by:

Approved by:

Richard Poole, Secretary

Robin Scherting, President

CAPE GEORGE COLONY CLUB
SPECIAL BOARD OF TRUSTEES MEETING
APRIL 6, 2010

Vice President Bill Stull called the meeting to order at 3:00 pm

In Attendance: Leanne Ryan, Tom Ramsey, Thad Bickling, Bill Stull, Dick Poole, Art Burke

New Business Action Items:

Motion 1: Tom Ramsey moved, Thad Bickling seconded to accept Kathyne Kent's resignation from the Board. Passed 4/0

Motion 2: Tom Ramsey moved, Leanne Ryan seconded to approve Richard Hilfer as Kathyne Kent's replacement. Passed 4/0

Adjournment: Thad Bickling moved, Tom Ramsey seconded to adjourn the Special Board Meeting at 3:20 pm Passed 4/0

Submitted by:

Approved by:

Richard Poole, Secretary

Robin Scherting, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
APRIL 15, 2010
7:00 PM

President Robin Scherting called the meeting to order at 7:00 PM.

Welcome & Comments – Robin Scherting, President

- Ross Anderson would like to thank CG on behalf of DNR for allowing them to hold their meeting here on March 10, in the Clubhouse
- Appointment of Richard Hilfer to Board of Trustees to fill vacant position
- Charlie Boulay announced that there are only six people on the Marina waiting list.
- Board of Trustees Elections coming up

In Attendance: Robin Scherting, Thad Bickling, Richard Hilfer, Leanne Ryan, Bill Stull, Dick Poole, Tom Ramsey

Action on Minutes: Leanne Ryan moved, Dick Poole seconded to approve the minutes of the Regular Board Meeting of March 11, 2010. Passed 6/0. Leanne Ryan moved, Tom Ramsey seconded to approve the minutes of the Special Board Meeting of April 6, 2010. Passed 6/0

Membership Report: Dick Poole

James & Donna Bodkin

92 W. Vancouver Drive

Treasurer's Report: Tom Ramsey

As of March 31, 2010, the Checking Account total was \$137,292.28. There are a total of 3 CD Accounts totaling \$323,996.37, and 1 Money Market Account totaling \$78,605.34, and 2 Petty Cash Funds totaling \$600.00 for a total of \$540,493.99 in cash and investments. **Accounts Receivables**, as of March 31, 2010 Accounts Receivables totaled \$5,523.08. There were 10 accounts over 60 days past due and 7 account over 90 days past due, 3 of which represent carried over late charges. Six members are presently on a payment plan to bring them to a current status.

Manager's Report: Art Burke

Fitness Room Project – Of the six bid packets that were sent out we received two proposals by the March 12th deadline. A meeting was held with the low bidder (Abacus Construction) to address a couple of questions concerning the bid and also the repairs to the previous work. Terry Steben has opened three test holes in the ceiling of the fitness room to check for wet insulation, damage to rafters or plywood, and to assess air space above the insulation. No signs of moisture were seen in the insulation or wood surfaces and although the space was minimal, there was space above the insulation layer.

Speed Bump Installation on Dennis Blvd. – The Dennis Blvd speed bumps were installed on 3/30/10. Although there have been some reports of decreased speeds in the area, we have also received complaints saying there are some people who continue to speed excessively. In addition, we have received complaints that the speed bumps are too high and require vehicles to slow to a crawl to get over. Repairs to the road surface on Colman Drive were also completed. During the repairs, the contractor accidentally spilled a narrow stripe of crack seal on Colman Drive. At our request the contractor has reheated, spread and top dressed the effected area with sand.

Member Reported Problem – I received a letter from resident Paul Happel concerning a large, water-filled concrete vault with an open access lid in the vicinity of lots 121 and 161 on Quinault Loop (a short distance off Cape George Rd.). Donnie and I visited the vault and found the lid that had been in place was rotted away. Donnie has replaced the lid and put a lock on the hasp holding it in place.

I participated in an online orientation to the TOPS software. This is an incredibly powerful program that we are only using a part of. As we move forward, I will be looking at all of the ways that this useful tool can further serve us.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
APRIL 15, 2010
7:00 PM

So far I've had a chance to attend the Finance, Fitness, Pool, Marina, Water, Environmental and Building Committee meetings and also met with representatives from the Emergency Preparedness Committee. I'll continue to fit these committee meetings into my schedule as time allows.

I am working on the following issues related to the pool:

- Handrail shocks – I am scheduling a follow up visit by Puget Sound Energy servicemen to further troubleshoot the small electrical shocks being felt at some of the pool ladders. Jim Fling will be conducting some tests to narrow the potential causes.
- Security cameras – I have put together a list of incidents of vandalism and mischief at the pool over the last year to address questions raised at the last Board meeting. The list is by no means complete; however it does indicate that the amount of serious vandalism is very minor. Although we were having a string of incidents in March, an individual with guests was identified as having been responsible for one of the more serious events and their privileges were suspended. Since then there have been no further incidents.
- Dehumidification systems – We are searching for a HVAC engineer in our region that specializes in indoor pools. For the time being, we are also continuing to experiment with adjusting our existing systems and have gotten the humidity down to about 62%.
- Automatic fill valve – we are upgrading the automatic fill valve that is currently not working. This will reduce the temperature fluctuations currently experienced when the pool is refilled manually.
- Window sill repairs – Abacus Construction is continuing to work at correcting the problems associated with the interior window sills.

News from the Office

Audit of Fobs and Key Cards – We are currently conducting a detailed review of issued electronic key fobs and access cards. Any undocumented fobs or cards in our system will be turned off in the next couple of days. If any member experiences problems with access, please stop by the office and let us know.

Water Overages – Each month a water meter reading is conducted at each lot. To better serve our members we will be notifying you quarterly if our records show that your water use is in excess of the 250 gallons per customer per day limit for any month during that period. In addition, we will be sending you a message if our meter records what may be a water leak during that months reading.

Committee Reports: Building: 4 Tree Removal Permits, 3 Earthworks Permits and 3 Building Permits were issued this month. **Finance:** The Finance committee met April 1, 2010 to discuss results of meeting with Clarity on 3/29/10, Budget overstatements, and other procedural issues. **Summary of Clarity meeting:** Linda Cooley clarified balance sheet and other accounting issues and Jean Harrington provided budgetary explanations. The Manager and Tina will develop some type of simple “purchase order” system to track orders and purchases. The monthly bank account reconciliation process needs to be reviewed by a second person such as the Treasurer or Manager. Tax returns will not be filed electronically. Preparation of an in-house accounting/bookkeeping manual is needed. No one volunteered to do that. The Manager will work directly with Tina on coding accounts. Petty cash procedures need to be standardized and reconciled quarterly. Reimbursement requests need to be in writing and a written record of distributions needs to be maintained. The Manager needs to review Cape George procedures and hiring practices when consultants and independent contractors are hired. Written consultant agreements must be used for non-licensed consultants and 1099's issued for consultants and licensed contractors. Extra care must be taken when hiring part-time help to put them on the payroll or have them designated as consultants. Tina is following up on 2009 omissions of 1099's for various vendors. The TOPS program is adequate for now and further stabilization of the system is being reviewed. We probably need new office computers and a dedicated TOPS server. **Budget issues: a. 2010 General Assessment Income Overstated:** Jean reported an overstatement of General Assessment income in the 2010 Budget by about \$5,000. The error occurred

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
APRIL 15, 2010
7:00 PM

because the Manager used an incorrect number of households paying assessments. The number was overstated by about 14. The effect of the overstatement of income is that the actual funds available to the community is about \$5,000 less than reported or about 2% of this budget item. b. **2010 Water Income Overstated:** Water income for 2010 has also been overstated because the calculation of income was based on about 14 more water users than we actually have. It is predicted that the water income was overstated by approx. \$4,200.00 in the 2010 Budget. c. **Marina income:** It is possible that certain marina tenants were not billed and/or that the vacancy rate was higher than expected. Marina income was off for 2009 by about \$2,600. We will review whether bills need to be issued for 2009 usage and to help assure that 2010 occupancies are accounted for and billed when additional data is received. d. **Higher employee costs:** The new Manager's salary is higher than the 2010 budget. Due to savings from no health insurance for the Manager, and an employee's tax credit from last year, the costs will only be about \$2,500 higher than the 2010 budget. e. **Project oversight:** There is a building project oversight cost of \$1,500 to date that was not specifically budgeted. It will be treated as a cost against R&M "Contract Services-Other General" line item substantially reducing the balance in this expense item for the year. **Higher window costs:** The actual cost of a window needed for the Pool is about \$2,000, rather than the \$1,000 that was budgeted. g. **Clarity accounting/bookkeeping/advisory services:** The actual costs for services from Clarity for the year will exceed the budgeted amount by an estimate of \$7,200 because of a need for extra services and advice from them. This amount is only an estimate from Clarity but will enable the Board to make reductions in other budget areas to cover this added expense. Tom will review whether a change to a biweekly rather than a twice per month payroll might reduce our costs. The possibility of doing payroll in-house will be reviewed later. **Recommendation: All unnecessary spending must be curtailed for the rest of the year** due to the number of budget shortfalls totaling approximately \$24,200 at this time. These numbers will be reviewed later in the year and further recommendations made if necessary. **Payment Plans:** Two members pay their assessments on a monthly basis rather than a lump sum trimester amount. This practice raises the issue of whether those members are paying their obligations when due according to the Bylaws, and if not, whether their member privileges must be suspended as they are not "members in good standing". Because the two are technically not paying the debt when due the Manager will meet with them to see if arrangements can be made to forestall the suspension of their privileges. **Water shut off:** The board has passed new rules clarifying shut off notice and procedures and the office is implementing them. **Proposed \$40 annual shop fee exempting marina tenants and rampage buyers:** Discussion and a finance committee response to this proposal will be delayed until the actual proposal is made. **Manager is Clarity contact:** In order to keep our accounting bill down and to centralize questions, the Finance Committee members will direct their accounting concerns and issues to the Finance Chair to organize and present to the Manager who will be the contact with Clarity. **Distribution of monthly financials: Recommendation:** Since the monthly financial statements are required by the Bylaws to be a "true statement of our financial condition" they should be referred to at the Board meeting as "Interim Financials" indicating that they are subject to correction. **Updated delinquency information: Recommendation:** The committee recommends that the office prepare and the Treasurer report more detail at the board meeting on the number, amount and status of delinquent accounts. This should include a comparison of these amounts to the prior month. **Revise quarterlies to compare to prior year: Recommendation:** It was suggested that the format for the published quarterly financials be modified by adding an extra column showing line item results for the same period for the prior year. This would greatly facilitate the ability to compare results (and changes) year to year. The Finance committee recommends this change. **Water:** The meeting was held at 5 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water System Manager; Thad Bickling, Board Liaison; Larry Southwick, Chair; Members Brian Ritchie, Ed Skowyra, Stewart Pugh and Zane Wyll. Stewart reported on his work with Donnie and Jeannie regarding the water meter reading process. Stewart accompanied Donnie on his meter reading route in March and reviewed how the meter reading data is entered into the system. It seems like a lot of steps in the process. The meter hardware and software systems include a lot of features that we are not using, such as collecting data for water leaks, non-use, tampered meters, around 15 features that can be reported and monitored. Stewart will continue to become familiar with the system and process and report at our next meeting. Donnie still has some meters that he has to read manually and is working to resolve any problem meters. They are also working to assure that all meters are accounted for and read, to resolve differences between the meter reads and the number of connections. Ed said that he knows of one connection to a Cape George owned property that does not have a meter due to minimal use at that property. Greg

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
APRIL 15, 2010
7:00 PM

reported that his latest report of metered water compared to pumped water was 90% which is okay. That comparison is important to the Dept of Health and Dept of Ecology to assure that we don't have a lot of un-metered or wasted water. One source of un-metered water is flushing water lines. Donnie can make some estimates and record flushing but we can't currently meter it. Greg said that Port Ludlow has a hydrant meter that they use when flushing to record the volume used. We could purchase the necessary meter and fittings to adapt it to our flushing points for up to \$1,000 which we could budget for next year. As a follow up to previous discussions regarding the language on our *Water Connection Permit Application form*, we agreed to include the language that Ed had proposed. A copy of the revised form is attached with the change in brackets. This is related to our *Small System Management Plan* which includes a required *Water Conservation Program*. In addition, we need to prepare periodic water conservation and other water use public educational information in our newsletter. We have a lot of examples and information is readily available on the web from other agencies. We received a letter from the Dept of Health that they are reviewing our Small System Management Plan and will get comments back to us in May. Then we will have to respond to any comments and return the revised document for approval. They will also bill us for their review costs. We also received a letter from the Dept of Ecology regarding our water rights application. It included a number of forms to fill out regarding our water use if we were built out. Because we still have around 100 unoccupied lots, we just have to reply that we are not built out and pay a \$50 fee to extend our water rights application. Ed will work with the Manager to write the reply to DOE. Cape George owns our water rights and we need to continue to defend them under DOE's regulatory reviews because they are restricting present and future water rights wherever possible. At some point, we might need to hire a specialized attorney to assist us in defending our water rights. We need to pursue and retain water rights for the ultimate and full build out on every lot because they have all been paying assessments throughout our history and that entitles them to a water connection when they request it. Next meeting. Normal meetings are the first Tuesday of each month so **the next meeting will be on May 4, 2010 at 5 pm at the Office.**

- I hereby apply for permission to connect to the water mains of the Club; see reverse side for specific requirements. ***I understand that placement of the water meter will be entirely at the discretion of Cape George Colony Club unless a formal arrangement is made through the manager.***
- I assure that water will be used only on this lot for family needs unless explicitly approved by the Board for any other use.
- [I agree and contract to abide by and be bound by the regulations pertaining to the water system and to use water in an efficient manner, conserving water wherever possible and maintaining my/our system in proper working order.]
- [I agree to abide by any and all special directives that may be issued by the Cape George Water System and/or the Department of Health.]
- I will pay to the Club such charges as the Board of Trustees may from time to time establish for water service and related facilities.
- I understand there is a surcharge for water usage above 250 gallons per day per home.

Element 14 Water Conservation Program

Confirm that you have included, or have committed to develop, the following required components July 2010 To adopt a conservation goal to promote wise and efficient use of water (in system rules, bylaws, etc.) If you have adopted any other conservation goals (e.g., reduce unaccounted for water, peak instantaneous reduction, peak seasonal demand) Please list these additional goals Maintain filter backwash water at no more than 5% A .1% reduction of backwash water is a savings of 27,210 gallons of water per year based on 2008 production. This goal was established by the Water System based on a recommendation from the Water Committee and discussed at a public meeting. The actual results will be presented to the entire membership during the Water Committee report at the Annual meeting held in July. Additional goals will be developed by the Water Committee, for consideration by the Board, as new data is developed by the new meter reading and recording system. The Cape George Water

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
APRIL 15, 2010
7:00 PM

System uses both a weekly visual inspection of the system and daily monitoring of the production wells run time to determine any abnormality in the system operation. If an abnormal amount of pump run time is detected, an investigation to determine the cause would be undertaken. As soon as the new service meter reading system is fully operational, monthly calculations unaccounted for water will be made on a monthly basis. If the new system is not operational by May 2010, Cape George will revert to a manual reading system on a quarterly basis. The Cape George Water System has in place a conservation system consisting of three major components as follows: Public Education – Cape George utilizes its monthly publication “ The Cape George Newsletter” both in print and online to not only promote water conservation through periodic tips on lawn watering techniques, promoting the use of drought resistant plantings that are listed in the Cape George Hand Book and other useful information concerning the operation of our water system information. This publication is available to each member, both resident and non resident, either in a printed copy or if requested on line. Cape George also distributes information published by DOH and other sources. System Measures – Source meters are installed on each well and are read and recorded daily. Remote reading service meters are installed at each connection and are read and recorded monthly. Using a computer spreadsheet all readings are compared to determine our water use efficiency. This data is reviewed quarterly by the Water Advisory committee with a report by the Water manager of any discrepancy noted with a description of the corrective action taken. This information is also reported to the Cape George Board. Any connection that uses an amount greater than a predetermined amount is informed in writing that they may be subject to additional charges if they do not take corrective action. Incentives – Cape George uses conservation pricing as an integral part of its rate structure. The Rate structure combined with notification of potential excess use is designed to promote conservation rather than increase revenues. This approach has produced the desired results which are further discussed below. Results – The above approach has reduced our Average Daily demand from 217 gallons per day in 1996 to 150 gallons per day in 2008 as shown below. Cape George continues to monitor our results in this area

New Business Information Items:

- Board action on bids to repair the pool and fitness room outside walls has been put on hold until we have more definitive information concerning the dehumidification system
- Art Burke and Stewart Pugh continue to work on improving the stability and security on the computers in the office so they support the TOPS program.
- Art Burke will continue to monitor security needs and will report to the Board if any changes are needed
- Art Burke, Donnie Weathersby and Stewart Pugh are working to fully understand the water meters’ capabilities and will keep the Board and the Members informed

New Business Action Items:

Motion 1:Thad Bickling moved Bill Stull seconded, to approve proposed changes to “Payment Contract” – Form MIS08 Payment Plan which will eliminate verbiage concerning liens on property and charging interest on unpaid balances.– Passed 6/0

Motion 2: Bill Stull moved, Tom Ramsey seconded to approve expending up to \$6,000.00 for the Tides Lands Survey which will be a portion of the \$15,000.00 approved in the 2010 Capital Budget for the Marina Engineering Study with funding to come from Marina Reserves. Passed 6/0

Motion 3: Tom Ramsey moved, Dick Poole seconded to approve Don Thorne as a new member of the Finance Committee – Passed 6/0

Motion 4: Dick Poole moved, Tom Ramsey seconded to approve Roger Anderson as a new member of the Building Committee. Passed 6/0

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
APRIL 15, 2010
7:00 PM

Motion 5: Bill Stull moved, Tom Ramsey seconded to approve the suggested changes to Rules & Regulations PP01 – Livestock, Pets. Current verbiage “anywhere within the confines of Cape George Colony Club” Proposed verbiage “anywhere on Cape George Colony Club common property” Passed 6/0

Motion 6: Richard Hilfer moved, Bill Stull seconded to approve request from Social Committee to have a fire somewhere on the Beach Area by the Clubhouse on June 19, 2010. Location to be determined by a member of the Social Committee and Art Burke. Passed 6/0

Motion 7: Dick Poole moved, Bill Stull seconded to approve the Environmental Committee’s landscaping proposal. This includes closing off the driveway and parking on the North side of the community center except for emergencies. Provide handicap parking and easier access to the exercise room on the southeast corner of the pool building. Passed 6/0

Motion 8: Tom Ramsey moved, Leanne Ryan seconded to approve request for purchase of 36 replacement floats from Dock Edge for docks in the amount of \$3,867.16 with funding to come from Marina Reserves. Passed 6/0

Motion 9: Tom Ramsey moved, Leanne Ryan seconded to approve the overage of price for pool windows in the amount of \$1,183.18.. Passed 6/0

Motion 10: Tom Ramsey moved, Dick Poole seconded to approve resolution for overage of price for pool windows in the amount of \$1,183.18 with funds to come out of General Reserves and into the General Investment Account. Passed 6/0

Motion 11: Tom Ramsey moved, Leanne Ryan seconded to approve paying Terry Stebbins in the amount of \$1,490 for consulting on pool building project with funds coming out of budgeted contract services. (General Investment Account). Passed 6/0

Open Board Discussion: Discuss motion made and passed at November 12, 2009 Board of Trustees Meeting – Motion #4 – Kathryne Kent moved, Leanne Ryan seconded that the Manager be authorized to contract with the appropriate vendor to install one or two asphalt speed bumps that are appropriately marked for safety and of sufficient height and width to control traffic to 20 MPH on Dennis Blvd at a cost not to exceed \$2,000. Passed 5/0 – Art Burke

Announcements:

May 11, 2010, Study Session at 3:00 pm

May 13, 2010, Regular Board Meeting at 7:00 pm

Adjournment: Bill Stull moved, Thad Bickling seconded to adjourn to Executive Session at 8:15 pm to discuss topics concerning the Cape George By-Laws and legal issues. Passed 6/0

Executive discussions are confidential.

Tom Ramsey moved, Bill Stull seconded to adjourn the Executive Session and resume the Regular Board Meeting. Passed 6/0

Motion 12: Richard Hilfer moved, Leanne Ryan seconded that in accordance with the Cape George Rules and Regulations – Finance and Budget FIN03 the Board allows the Manager to establish a payment plan in excess of four months for a member with extenuating circumstances. Passed 6/0

Motion 13: Richard Hilfer moved, Leanne Ryan seconded to make an addendum to Cape George Rules and Regulations – Finance and Budget FIN03 allowing the Manager to have the discretion to adjust due dates for

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
APRIL 15, 2010
7:00 PM

members with extenuating circumstances with the approval of a Board majority. Addendum to read: "Due Date Adjustment: If there are extenuating circumstances, the Manager has the discretion to adjust a member's due dates with approval of a Board majority. Passed 6/0

Motion 14: Thad Bickling moved, Bill Stull seconded to accept the proposed additions to Cape George Rules and Regulation PP01, concerning the off-leash area. "When other members are in the specific area north of the clubhouse for different activities, (such as picnics or to use the playground) then dog owners must ask them first if it is alright to have the dog(s) off-leash." Passed 4/3

Motion 15: Bill Stull moved, Thad Bickling seconded to postpone indefinitely the installation of a fence around the children's playground. Passed 5/0

Adjournment: Tom Ramsey moved, Bill Stull seconded to adjourn the Regular Board meeting at 9:15. Passed 6/0

Submitted by:

Approved by:

Richard Poole, Secretary

Robin Scherting, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
MAY 13, 2010
7:00 PM

President Robin Scherting called the meeting to order at 7:00 PM.

Welcome & Comments – Robin Scherting, President

- Announcement of Candidates running for Board of Trustees. They are Michael Smith, John Hanks, and Ray Pierson.
- Art and Jeannie will review clubhouse rental procedures and come back to Board in June with suggestions and changes that may be needed.
- The CG Handbook has been turned over to the office and we will be working to see that it is completed soon.
- Thanks Mikel Stull for years of service for serving on Emergency Preparedness Committee.

In Attendance: Robin Scherting, Thad Bickling, Richard Hilfer, Leanne Ryan, Bill Stull, Dick Poole, Tom Ramsey

Action on Minutes: Tom Ramsey moved, Thad Bickling seconded to approve the minutes of the Regular Board Meeting of April 15, 2010. Passed 6/0.

Membership Report: Dick Poole

Leah Mitchell & Nancy McLachan

444 Sunset Blvd.

Treasurer's Report: Tom Ramsey

As of April 30, 2010, the Checking Account total was \$140,132.13. There are a total of 3 CD Accounts totaling \$324,864.13, and 1 Money Market Account totaling \$79,539.33, and 2 Petty Cash Funds totaling \$600.00 for a total of \$545,135.59 in cash and investments. **Accounts Receivables**, as of April 30, 2010 Accounts Receivables totaled \$6,382.42. There were 11 accounts over 60 days past due and 12 account over 90 days past due.

Manager's Report: Art Burke

I've continued to receive written (3) and informal complaints regarding the speed bumps on Dennis Blvd. They range in content from concern over damage to vehicles, to liability of the Club, to the feeling that the speed bumps are not accomplishing their intended purpose, i.e., slowing traffic. I have spoken to our Lakeside Industries contact and he has provided me with two options:

- Remove existing bumps and replace with a gentler profile bump - \$2,650
- Remove existing bumps and restore road surface to previous level - \$2,650

During our conversation, I also asked about the possibility of modifying the existing bumps. He indicated that to attempt this would lead to the failure of the asphalt and would not be an option.

I attended the First Annual Cape George Review on April 17th and I've got to tell you it was an incredible evening. Who would have guessed that there were so many people in the community who could act, tell jokes, sing, and play instruments, so well? Jan Stone, Mary Hilfer, Carol Wood and Ross Anderson deserve a standing ovation for everything they did to make us all have such a great time.

We received a report from a resident on Saddle Drive that while dropping his daughter off at the bus shelter on the morning of April 16, he learned that a bag of syringes were found in the shelter. I retrieved the bag which contained 9 unused insulin syringes in a 10 syringe packet. The discovery was reported to Jefferson County Sheriff's Department.

Lot mows began on April 19, with 63 lots on the schedule to be mowed.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
MAY 13, 2010
7:00 PM

I received the following complaints:

Access to some shop storage areas blocked by placement of locks to protect specific Marina items.

Yard waste being dumped at NE corner of Victoria Loop cul-de-sac. Met with land owner who was unaware of the dumping. Posted "No Dumping" sign.

Trees forming hedge on Maple Drive.

Trees forming hedge on S. Palmer.

Yard and house not being adequately maintained on Dennis Blvd.

Security lights on pole in Marina south parking lot not working.

Question about status of proposed fence around play area.

Yard not being maintained on Colman Loop.

Ivy growing over fence on Colman Loop.

Neighbor actively marketing his business from residence.

We are beginning the development of a grounds and facilities maintenance calendar. This will be a joint effort of staff and volunteers providing input. The outcome will provide us with a better understanding of resource needs and also an ongoing schedule of upkeep requirements.

We have developed a Playground Maintenance Checklist form. This will facilitate routine inspections of the equipment and surrounding area for safety and maintenance issues.

We have begun the process of conducting a survey of property address signs. These signs serve the purpose of locating properties for emergency personnel. Volunteers will be providing a list of signs needing repair or replacement and the office will send a friendly reminder to residents.

The office staff is beginning to prepare for Trustee elections. Over the next couple of weeks, ballots will be printed, stuffed and sent out.

We are preparing to update the software and replace the batteries in our automated external defibrillator that is kept at the Club House. It was recently discovered that our device was a part of a recall occurring last year. Once completed, we will put it on a routine maintenance schedule.

We received notification that utility right-of-way trimming and clearing of trees will be conducted in the stretch of road between Dennis Blvd. and Saddle Drive. This will be taking place in the next couple of weeks.

Committee Reports: Building: 2 Tree Removal Permits, 2 Earthworks Permits were issued this month.
Emergency Preparedness: The Cape George Emergency Preparedness Committee plans to discontinue the Block Captain Telephone Tree (BC TT) system at the end of May. The BC TT was based on the Neighborhood Watch crime prevention program by encouraging neighbors to get to know each other better and to provide the office information about changes in residents. However, very few of the BCs have been willing to 'watch' their neighborhoods that closely. The BC TT has primarily been used to notify members of

water system problems. Improvements in the water distribution system have made that use unnecessary.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
MAY 13, 2010
7:00 PM

Recruiting and training Block Captains has become increasingly difficult, maintaining up-to-date telephone trees is time consuming and printing and distributing telephone trees to all residents does have a cost. Neither of the other large residential communities in East Jefferson County use BC telephone trees now. Finally, the coordinators are retiring and have not been able to find replacements. There are other ways to notify neighbors of potential disasters. Telephone trees based on the street listing in Cape George Directory could be activated by calling every 10 person home and asking them to call the next 9 residents. A few reliable people could be responsible for calling renters (names on a separate list). The directory is updated annually. The Street address listing could be distributed to all residents. The Cape George email system reaches about 350 homes and could be used to notify residents of weather and water concerns. Bull-horns in vehicles may be used to alert neighborhoods in the event of a potential disaster such as a tsunami. EPC has two bull-horns. East Jefferson tsunami siren located at the Diamond Point air field. Jefferson Co. Emergency Management is considering a 'call-down' type system using cellphones, computers, etc. **Finance:** Barbara Barnhart and Rhebe Greenwald reviewed the insurance policies in April. Some errors were found in descriptions and reported to the agent. The recommendation made and presented by the Treasurer at the Study Session was to renew both the liability umbrella and the auto policy at the existing coverage level and continue the main policy and D&O at the three-year contract rate negotiated last year. These bills are all due in early June. **Future recommendation:** Put all policies out for additional bid before the three-year term ends and review coverage for possible changes. Questions on the March financials were reviewed with Clarity and Art. Clarity has made some changes to better clarify coding of income and expenses, accounts payable and the balance sheet with input from Linda Cooley and Finance Committee members. Several members of the Finance Committee met with the Treasurer, Manager and Clarity to analyze actual pool utility savings for 2009 and the payment of the heat pump loan. Based on that meeting, the Treasurer made a recommendation to the Board at the Study Session. Linda Cooley and Georgette Semick have been reviewing the draft audit to reconcile our General Ledger. After several communications with the Auditor, we are awaiting a revised draft from the auditor. As soon as that is received and checked, a recommendation will be made for the Board to act on the 2009 net income transfers. The Finance Committee held a meeting May 13, 2010 prior to the Board Meeting. There were discussions about monthly financial controls, budget review, preparation of an accounting manual, needed repairs to Club House and proposed dehumidification system. a. **Recommendation:** Bank reconciliation should be done by Clarity as a third party not signing checks or making deposits. b. **Recommendation:** A review of shortfalls/savings in Budget should be done in July based on end of June figures. It will be completed by some members of the Finance Committee with recommendations made to Board and Manager. c. **Recommendation:** Repairs to the Club House should be separated from the dehumidification project and added to the 2011 Budget. More information is needed before a decision on the dehumidification project can be made. d. **Recommendation:** Two members of the Finance Committee will review work on Accounting Manual as it progresses. e. **Recommendation:** Members of the Finance Committee will review monthly General Ledger Reports as suggested by Auditor. f. **Recommendation:** As part of review of possible ways to reduce our pool utility bills Manager check: 1. Propane costs, i.e. new quote, other bids. 2. Other methods of cost savings. **Fitness Room:** The balance in the account as of this date is \$1,507.59. This includes the sale of the Nautilus weight rack and weights for \$150.00 and donations of \$75.00. The Granny's Attic raised \$2,375.95. This money was deposited after the bank statement was prepared. So together with our balance we have nearly enough for the Nu-Step machine. Our thanks to Robin Scherting and Leanne Ryan for coordinating this effort, and to all the people who worked, donated, and supported this sale. It was a real community effort. The Fitness Committee will also hold a silent auction in September; we had several nice items, left from the sale, that will be used. The exact date will be announced at a later time. Dick Poole has worked with Donnie and Art to create new parking spots in the back South end of the building for parking. One will be designated handicapped. Fitness room users will be encouraged to use them when needing to park close as the North end will be closed with new landscaping. **Water:** The meeting was held at 5 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water System Manager; Thad Bickling, Board Liaison; Larry Southwick, Chair;

Members Ed Skowrya and Stewart Pugh The purpose of the meeting was to review recent communications with the Dept of Health (DOH) with regard to the review of our Small (Water) System Management Program

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
MAY 13, 2010
7:00 PM

(SSMP). The communications indicated that approval as presented could limit the number of water connections to 640. We are committed to doing everything necessary to preserve our rights to the full 665 connections for full build out on every lot. The alternative that has been discussed by email and phone calls is to pull our SSMP back from review and instead, complete and submit a full update of the old Water System Plan. The question was, what all is needed to complete an update and at what cost, before we make an irreversible commitment to DOH. Ed has been in communication with Bob Leach of NTI, our water system consultant. It turns out, again there is a lot of work by Ed but not by Bob, it can be done with additional data from Greg and some work by Bob to run some numbers to make sure the 665 connections can be supported. Bob and Ed say that it can be completed for about \$1,000 which is within the current budget for the project. Most of the update information is already in our draft SSMP. It was agreed that the right course of action was to pull the SSMP back and proceed with the full WSP. We want DOH to certify the 665 connections with approval of the updated WSP. (Subsequently after the meeting, Greg notified DOH by email of our decision) Other discussion, we have 663 lots that are billed and could require water hookups if every lot was built on, which is not the case. In several locations, two or more lots have been combined into one or two lots but that may or may not be irreversible. And there is one water connection outside of Cape George that was provided in exchange for access to former water well in the earlier days. That property should be billed for water use. The other discussion was about our current water rights to 192 acre feet per year. At one time, it was reduced to 160 due to an error by the state but it was restored to 192. We have applied and continue to maintain that application to take it up to 230. (we can serve 665 lots within the 192 acre feet per year)

New Business Information Items:

- Art Burke will continue working with Jim Fling to develop a proposal for replacement of dehumidification system, repair of the electrical system, and completing the repair of the exterior and interior walls in the Fitness Room. This will be put on the June Agenda.
- Revised budget approval will be considered again in July or August
- Heat Pumps paid off (Tom Ramsey)
- Emergency Preparedness Committee – Block Captain Telephone Tree system will come to an end at the end of May

New Business Action Items:

Motion 1: Dick Poole moved Leanne Ryan seconded, to approve the variance request from Charles Allen to construct a storage shed at 192 Victoria Loop. Passed 6/0

Motion 2: Leanne Ryan moved, Dick Poole seconded to approve the variance request from Wayne Albright at 291 Johnson Ave. for a five-foot variance to build a 22 ft. high pole barn. Passed 6/0

Motion 3: Leanne Ryan moved, Thad Bickling seconded to accept the resignation of Mikel Stull as Co-chairperson of the Emergency Preparedness Committee effective May 13, 2010. Passed 6/0

Motion 4: Tom Ramsey moved, Bill Stull seconded to accept the resignation of Rhebe Greenwald as Finance Committee Chairperson effective May 13, 2010. Passed 6/0

Motion 5: Tom Ramsey moved, Thad Bickling seconded to approve Karen Krug as Finance Committee Chairperson effective May 13, 2010. Passed 6/0

Motion 6: Dick Poole moved, Tom Ramsey seconded to approve the “Due Date Adjustment Form”(for members with extenuating circumstances) to be part of the Policy for Delinquent Accounts – FIN03 and assign a Form MIS09. Passed 6/0

Motion 7: Richard Hilfer moved, Bill Stull seconded to approve the adjusted payment due dates for three members with extenuating circumstances. Passed 6/0

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
MAY 13, 2010
7:00 PM

Motion 8: Bill Stull moved, Tom Ramsey seconded to authorize the Manager to negotiate a correction/make adjustment to our existing speed bumps on Dennis Ave. so as to make them acceptable in terms of their height and severity consistent with the 20 MPH speed limit. Passed 6/0

Motion 9: Bill Stull moved, Thad Bickling seconded to approve the new Donation Acceptance Form as developed by the Manager and to assign a number of Form MIS10. Passed 6/0

Motion 10: Thad Bickling moved, Bill Stull seconded to approve the installation of a “Weather Station” on community property. The Weather Station will be purchased from Swimming Pool Committee funds. Passed 6/0

Motion 11: Tom Ramsey moved, Dick Poole seconded to deny the annexation request made by Brian Engelking. Passed 6/0

Motion 12: Bill Stull moved, Thad Bickling seconded to reaffirm the Board’s position and support the appeal (that there is a hedge violation at 170 S. Palmer) as voted on by the Board at their November 12, 2009 meeting.

Thad Bickling moved, Richard Hilfer seconded to allow the Manager 30 days to work with the concerned parties to identify the exact problem and to work on a resolution. Main motion was then voted on and passed 5/1 as amended.

Motion 13: Tom Ramsey moved, Leanne Ryan seconded to approve the renewal of the Commercial Umbrella Liability policy with Community Association Underwriters of America, not to exceed \$3,772.00. Passed 6/0

Motion 14: Tom Ramsey moved, Thad Bickling seconded to approve the renewal of the Directors and Officers Liability policy with CAU, not to exceed \$3,170.00. Passed 6/0

Motion 15: Tom Ramsey moved, Dick Poole seconded to approve the renewal of the General Insurance policy from the CAU, not to exceed \$20,198.00. Passed 6/0

Motion 16: Tom Ramsey moved, Richard Hilfer seconded to approve the renewal of the Commercial Auto Policy with CAU, not to exceed \$1,597.00. Passed 6/0

Motion 17: Dick Poole moved, Bill Stull seconded to approve changes to Building & Property Rules & Regulations Section III – General Provisions to clarify the definition of living space. This change will go to the membership for a vote. Passed 6/0

Motion 18: Dick Poole moved, Thad Bickling seconded to adopt a policy that the “Washing Station” at the Marina be used only for rinsing boats and not for personal car washing. Passed 6/0

Motion 19: Tom Ramsey moved, Thad Bickling seconded to approve the resolution to transfer \$3,876.16 from Marina Operations Reserves to the General Investment Account for the purchase of dock floats. Passed 6/0

Motion 20: Tom Ramsey moved, Thad Bickling seconded to approve the resolution to transfer \$1,000.00 from the General Operations Reserves to the General Investment Account for pool windows. Passed 6/0

Motion 21: Tom Ramsey moved, Thad Bickling seconded to approve the resolution to transfer \$7,090.00 from the General Investment Account to the General Operations Reserve Account for repayment of heat pumps. Passed 6/0

Motion 22: Tom Ramsey moved, Leanne Ryan seconded to have Clarity, Inc take over the task of the

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
MAY 13, 2010
7:00 PM

monthly bank reconciliation. Passed 5/0

Open Board Discussion

Announcements:

- June 8, 2010, Meet the Candidates, 2:00pm
- June 8, 2010, Study Session at 3:00 pm
- June 10, 2010, Regular Board Meeting at 7:00 pm

Adjournment: Tom Ramsey moved, Leanne Ryan seconded to adjourn at 9:00. Passed 5/0

Submitted by:

Approved by:

Richard Poole, Secretary

Robin Scherting, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JUNE 10, 2010
7:00 PM

President Robin Scherting called the meeting to order at 7:00 PM.

Welcome & Comments – Robin Scherting, President

Thanks to Bernie Del Valle for conducting “Meet the Candidates” and to Mike Smith, Ray Pierson and John Hanks for running for the Board.

In Attendance: Robin Scherting, Thad Bickling, Richard Hilfer, Leanne Ryan, Dick Poole, Tom Ramsey

Action on Minutes: Dick Poole moved, Tom Ramsey seconded to approve the minutes of the Regular Board Meeting of May 13, 2010. Passed 5/0.

Membership Report: Dick Poole

Bill & Jean Castello

175 Bridle Way

Treasurer’s Report: Tom Ramsey

As of May 31, 2010, the Checking Account total was \$174,495.84. There are a total of 3 CD Accounts totaling \$325,136.57, and 1 Money Market Account totaling \$79,579.39, and 2 Petty Cash Funds totaling \$600.00 for a total of \$579,811.80 in cash and investments. **Accounts Receivables**, as of May 31, 2010 Accounts Receivables totaled \$14,189.28. There is 1 account over 60 days past due and 12 accounts over 90 days past due. The high Accounts Receivable total is attributed to the tri-annual assessments due in May.

Manager’s Report: Art Burke

The office staff has begun work on furthering the development of an office manual. This document will provide a comprehensive explanation of all aspects of office procedures, including financial, permits, keys, phones, etc.

I have received the following complaints/reports over the past month:

- Excessive speed on Dennis Blvd.
- Perc holes left open for two years at lot on Spruce Drive.
- Perc holes left open for two years at lot on Hemlock Drive.
- Property line encroachment concern on Alder Drive.
- Ditch needing maintained on Ridge Drive.
- Lot needing mowed on Pine Drive.
- Concern over condition of trailer on Pine Drive.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JUNE 10, 2010
7:00 PM

- Residence and lot not being maintained according to CG Rules and Regs. on Dennis Blvd.
- Speed bumps on Dennis too large.
- Drivers failing to exercise caution at intersections in Village.
- Cars parking on roadway on Sunset

I also received a complaint regarding an ATV that has been seen on the ravine trail a couple of times in the last few weeks. I remind all residents that there are no off-road vehicles permitted on our trails.

On Monday, May 24th, I received a report that over the weekend a driverless vehicle had struck the barn and caused minor structural damage. I would encourage all members to turn off their engines when exiting their cars to get their mail.

The second cycle of lot mows was initiated during the week of May 24th and due to very wet weather was not completed until June 3rd.

We received notification from Ford Motor Co. regarding a recall of our 1999 Ranger truck. There is a fire hazard associated with the speed control device. We have scheduled an appointment at the dealership to have this repaired.

Donnie and I assisted with releasing a fawn that had become trapped in a fence enclosure on W. Vancouver.

Received notification from Jefferson County that Cape George has overpaid its' Washington State fire protection assessment and is due a refund in the amount of \$191.

We have received the independent auditor's report and audited financial statements for 2009. A copy is available for review at the office.

Committee Reports: **Building:** 5 Tree Removal Permits, 4 Earthworks Permits, and 4 Building Permits were issued this month. **Environmental:** Members present: Phyllis Ballough, Amy Brandon, Ann Candioto, Barb Hill, Dick Poole, Kitty Rucker, Robin Scherting and Manager, Art Burke. Ann started the meeting by thanking all the volunteers and our manager and staff for all their help. The May minutes were approved. **Budget Report:** As of June 3rd we have \$1,569.88. **OLD BUSINESS: Landscaping Project:** Dick said the grass is growing! Still to be done are: a straight log will be put by the water end of the landscaping, leaving an opening for an emergency, he would also like to put some sand from the dredging in the area between the log and the beach. The walk needs a little more work. He will work on the opening of the south end of the gazebo soon. Phyllis said there was a problem trying to deliver the new NuStep machine. The driver couldn't drive up to the door of the Fitness Room because the wires between the Marina and the Pool building were too low. He drove as close as possible and it had to be taken manually to the Fitness Room – Quite a job! Ann said Phyllis had 3 small Mugho Pines for sale at Granny's Attic and Ann bought them for \$30.00 for the Environmental Committee to plant on the NE corner of the clubhouse. We will reimburse her. We had voted to give Dick \$200 for the landscaping

project and Robin said the topsoil cost much more than expected (over \$1,000) so a motion was made by Kitty and 2nd by Robin that we add another \$200.00 to make a total of \$400.00. Motion passed. Dick

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JUNE 10, 2010
7:00 PM

thinks the only cost left is for the paint for the Gazabo which shouldn't be much. Art will see if we have any left from the last time it was painted. **No Dumping Sign:** Ron Niccoli has made Art aware of yard waste dumping on Victoria Loop and there is a NO DUMPING sign there now. **Hedge at Quinault Loop:** Art will look into this. **Shredder:** Phyllis looked into this as a Fundraiser/Community Service project but found there would be a minimum of 3 hours for \$150/hr = \$450 and it had to be on a Saturday. The consensus was that it'll cost too much. **Pancake Breakfast/Beach Walk:** Ann has made up lovely flyers and put them on the bulletin boards. She will shop for the food this Thursday. She will be at the Clubhouse on Friday at 3:00 p.m. and could use some help. Several people said they would be there to help. The breakfast will be from 7:30 to 9:30 on Saturday so we should be there by 7a.m. at the latest. Ann will call some other members who usually help out. Table decorations: Ann will call Mary Maltby. Phyllis will be away but has some things that could be used for decorations. If needed Kitty will bring her electric skillet for the scrambled eggs. **NEW BUSINESS:** Art and Ann took a tour of the Common Areas. There are a few stalwart volunteers left but not enough. We need a Volunteer Coordinator. Kitty volunteered to do it. Thank you, Kitty. She will coordinate with the office and staff with what they can do. Ann will pursue having plastic signs made thanking people who maintain common areas. A.J. Bennett has been mowing the strip by the Marina. Kitty brought up Cedar Park. Ann said when she and Art toured the common areas, Cedar Park had been cleaned up and looks nice. It will be put on a future agenda. Memorial Park will be on next months agenda. Barbara mentioned there is a large tree that has fallen down by the water tank at the South Village Entrance. Art will look into taking care of it. Kitty said there is a man on a motorized vehicle riding up and down the Ravine Trail. There was discussion about whether to put up a sign or a post. Art will look into having Donnie put a post at the entrance to the trail to deter motorists from using it. Meeting adjourned at 11:42. **Fitness:** As of June 9th, we have \$74.49 in our account. We recently took delivery of our second Nu-Step and the feedback has been glowing. The amount paid was \$3,753.49 all from fund raising monies. We certainly thank everyone who helped with that. Our next fund raising event is planned for the first weekend in October when we will hold a silent auction. We continue to see the use of the fitness center grow. I will be meeting with the new chair of the finance committee to discuss revising our reserve schedule amount, as that has not been done since 2005. Our investment in equipment has grown considerably since then. **Pool:** We are happy to report that there have been no new reports of vandalism in the pool in the recent months. We are continuing to work to reduce the humidity in the pool building and make the space more comfortable and reduce the damage to the building. Recent efforts to move more air through the building have brought the humidity down from a high of 80% to 65% on a good day. Still far from the recommended 50% but a major improvement. This effort is not without cost. The increased energy cost to reheat the incoming air has already been noticed. We are going to install a weather station in the pool building so that we can monitor the inside and outside humidity and temperature and chart these numbers together with the energy consumption. This data will allow us to make a value judgment on the cost of attempting to control the humidity by our current means. This system will be paid by pool committee funds. There have still been some reports of occasional shocks from the handrail. Investigation by us, an electrician and Puget power have not found the source of the electrical leakage. The voltage is very small (3 to 4 volts) but we are concerned and will find and correct the fault as soon as we can identify it. The pool committee has made a commitment to attempt to increase the number of users of the pool. There will be notices and information in each monthly newsletter encouraging the members to use the pool. We are looking at specific programs with the hope that we can offer these in the future. **Social:** The Social

Committee is hosting a Summer Solstice Celebration on June 19 as a potluck BBQ (weather permitting). After dinner, we will enjoy a music playlist and dancing as well as a small outdoor fire near the beach. Our yearly elections will take place at a meeting on Monday, June 28, at a potluck salad luncheon. Officers for the next year will be: Co-Presidents, Mary Hilfer and Norma Lupkes, Vice President, Judy

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JUNE 10, 2010
7:00 PM

Dahl, Secretary, Mary Maltby. Treasurer, Jan Stone At that meeting, we hope to be ready to present our idea for the *Cape George University*, a series of informational and instructive events wherein members of the community will share their knowledge or expertise in various subjects for those interested in learning a new skill.

New Business Information Items:

Art Burke will continue working with Jim Fling to develop a proposal for replacement of dehumidification system and repair of the electrical system at the Pool. No deadline for this ongoing project has been established.

Art Burke presented information on a Home Owners Association “One Call Now” information system. He will continue to gather information and present again at the July meeting

Report from Emergency Preparedness Committee “Getting the Word: about a disaster” Ways for CG residents to become aware of a potential disaster, will appear in the July newsletter as Carolyn Salmon had to leave.

Art Burke reported that he is continuing to work with the CG members involved with the hedge violation/compliance on 170 S Palmer.

New Business Action Items:

Motion 1: Dick Poole moved, Thad Bickling seconded to approve the reconstruction of the speed bumps on Dennis Blvd to better meet the current CG speed limit of 20 MPH. Passed 5/0

Motion 2: Leanne Ryan moved, Tom Ramsey seconded to approve the changes of CP02 Rules & Regulations – Use of Club Property, CP02f – Clubhouse Use Application/ Agreement, and CP02c – Reserved Use of the Clubhouse Rules forms with suggested changes made by Manager and Clubhouse Coordinator. Passed 5/0

Motion 3: Dick Poole moved, Tom Ramsey seconded to reject the proposal to eliminate BG05a – Application for Tree Cutting and create a conditional permission policy for tree cutting as recommended by the Building Committee. Passed 4/1

Motion 4: Tom Ramsey moved, Thad Bickling seconded approve the resolution to transfer Net Income to Reserves as listed below. Passed 5/0

From General Operations Fund to General Operations Reserve, \$26,295.57

From Water Operation Fund to Water Operations Reserve, \$58,600.92

From Marina Operations Fund to Marina Operations Reserve, \$5,460.53

Motion 5: Tom Ramsey moved, Leanne Ryan seconded to approve the resolution to transfer \$1,562.16 from Marina Operations Reserve to the Cape George General Investment Account for payment to Layton & Sell for Marina Consulting. Passed 5/0

Motion 6: Tom Ramsey moved, Dick Poole seconded that the Board of Trustees approves the expenditure estimated at \$10,632 for the completion of the conceptual design of a revised entrance channel to the Marina by Layton & Sell, Inc., a coastal and Civil Engineering Company. Passed 5/0

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JUNE 10, 2010
7:00 PM

Motion 7: Leanne Ryan moved, Thad Bickling seconded to approve Ad Hoc Committee to study and make recommendations for Board consideration for lot violations relating to maintenance and care of CG Common Properties, vacant lots and private properties. Members will consist of Co-chairs Jana Finlay, Shelly Peterson, members Helen Rector, Jim Pickrell, Board Members Leanne Ryan, Dick Poole, Richard Hilfer and Manager Art Burke. Passed 5/0

Open Board Discussion: Tom Ramsey announced that he will be gone for the July Meetings and appointed Dick Poole as his proxy to vote in the Board Officers election.

Dick Poole had heard that the lease on the Fire House may be coming due. After discussion it was everyone's thought that the lease was long term. Manager, Art Burke will look into this matter.

Thad Bickling wanted to remind everyone about the Beach walk taking place on Saturday.

Announcements:

July 13, 2010, Study Session at 3:00 pm

July 15, 2010, Regular Board Meeting at 7:00 pm

July 17, 2010, Annual Membership Meeting at 2:00 pm

Adjournment: Thad Bickling moved, Dick Poole seconded to adjourn to Executive Session at 8:10 pm to discuss personnel matters. Passed 5/0

Executive discussions are confidential.

Tom Ramsey moved, Dick Poole seconded to adjourn the Executive Session at 9:00 pm and resume the Regular Board Meeting. Passed 5/0

Adjournment: Thad Bickling moved, Dick Poole seconded to adjourn the Regular Board meeting at 9:00 pm. Passed 5/0

Submitted by:

Richard Poole, Secretary

Approved by:

Robin Scherting, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JULY 15, 2010
7:00 PM

President Robin Scherting called the meeting to order at 7:05 PM.

Welcome & Comments – Robin Scherting, President

- Thank you to Thad Bickling and Bill Stull, retiring Board Members
- Remember to vote for new Board of Trustees- Votes will be counted Friday, July 16, at 9:00 AM
- Resignation of Don Lee, Building Committee Chair.

In Attendance: Robin Scherting, Bill Stull, Richard Hilfer, Leanne Ryan, Dick Poole

Action on Minutes: Leanne Ryan moved, Dick Poole seconded to approve the minutes of the Regular Board Meeting of June 10, 2010. Passed 4/0.

Membership Report: Dick Poole

William & Kimberly Fredrick	Lot 36, S. Palmer Drive
Shari & Kendra Morrison	81 Pine Drive
Anthony Petrillo/Peggy Myre & Dirk & Kathryne Anderson	Lot 1, Vancouver Place
Bev Rickher & Dennis Colopy	80 Victoria Loop

Treasurer's Report: Dick Poole

As of June 30, 2010, the Checking Account total was \$74,689.86. There are a total of 4 CD Accounts totaling \$406,227.62, and 1 Money Market Account totaling \$70,002.21, and 2 Petty Cash Funds totaling \$600.00 for a total of \$551,519.69 in cash and investments. **Accounts Receivables**, as of June 30, 2010 Accounts Receivables totaled \$9,157.93. This compares to \$6,725.74 for the same period last year. There are 5 accounts over 60 days past due and 7 accounts over 90 days past due.

Manager's Report: Art Burke

I attended a Pre-plan meeting at the Washington State Department of Health regarding our intent to update the Water System Plan for the community. Those in attendance included CG Water Manager Greg Rae, CG Water Committee Member Ed Skowrya and Department of Health Regional Planner Darin Klein.

I have received the following complaints/reports over the past month:

- Perc holes left unfilled for excessive amount of time on Sunset Blvd.
- Trees forming hedge on Maple Drive.
- Perc holes left unfilled for excessive amount of time on Victoria Loop.
- Dogs barking on Marine View Place.
- House under construction not in compliance with CG Building Regulation set back requirements on Hemlock Drive.
- Substance spilled on residents drive and running into N. Palmer Drive
- Trash and junk in backyard of residence on Cedar Drive.
- Dog barking on Alder Drive

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JULY 15, 2010
7:00 PM

- A member reported that her grandchild had a swim diaper accident while in the Kiddy Pool. The pool was closed overnight for disinfecting.
- Complaint regarding the speed bumps on Dennis Blvd.
- Trees forming hedge on Dennis Blvd.
- Trees forming hedge on N. Rhododendron Dr.
- Truck and cars regularly parked in roadway on Sunset Blvd. and creating traffic hazard.
- Water seeping from hillside from property on Maple Dr. to property on Spruce.

On June 16th I received a report that one of the windows at the pool had been broken. It is likely that it was broken accidentally by a power weed whip being operated in the area earlier that day. Cost of repair was \$687.

We recently conducted a review of phone services at Cape George facilities and have made a few updates and changes that will save a few dollars each month.

We have also conducted a review of propane vendors servicing our area. In the past we have asked our vendor to match competitors pricing, which appears to have lasted only a month or two. We will be switching services to Cenex in the next week. We will continue to look for ways to keep control of utility costs.

We are currently receiving quotes for janitorial services at our community facilities.

I met two times with the recently established ad hoc committee which has been set up to make recommendation to the Board regarding property maintenance issues. So far the meetings have been very productive and a framework is being worked on to present to the Board. As a part of this committee I traveled with Jim Pickrell to meet with the President of the Driftwood Key home owners association in Kitsap County to discuss their experience with property maintenance issues. I've also met with the Manager at Kala Point Owners Association.

I participated in a web seminar on "Debt Collection in a Bad Economy" provided by the Condominium Law Group. Good information.

The final lot mowing of the year was completed on July 7th. Sixty-nine lots were brush hogged in this last cycle.

We have had a couple of reports of items found in the vicinity of the Clubhouse/Pool which leads us to believe there may be after hours activities taking place. If you happen to see anything out of the ordinary going on, please let us know.

The Marina entrance dredging took place during low tide on July 12th by Shearer Excavating. From all of the reports so far, everything went well.

We have hit the six month water meter reading point in the year. Anyone who has exceeded the allowed use for this period will be receiving a postcard in the mail over the next few days.

Committee Reports: Building: 5 Tree Removal Permits, 3 Earthworks Permits, and 1 Building Permits were issued this month. **Environmental:** We have spent \$500.00 (\$400 for Dick Poole's project at the clubhouse and a \$100 donation to The Marine Science Center for the beach walk.) We took in \$272.12 on the Pancake Breakfast. **OLD BUSINESS: Pancake Breakfast:** It was a success and maybe we'll do another one at the end of the year. Phyllis brought up a Potato Bake. It's been awhile since our last one and sounds like a good idea for the fall/winter. She said maybe she can make up some note cards with pictures of Cape George

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JULY 15, 2010
7:00 PM

as another fundraiser. We all thought that was a great idea. **Clubhouse Grass Project:** Dick did some reseeding a couple of weeks ago and it looks great. He feels it will handle the BBQ traffic well. He talked with Donnie who will bring logs over before the BBQ and put up a Handicap Parking sign. The water pressure needs to be increased and he talked with Mac who thinks it should be a comparatively easy thing to do. Maybe a high pressure line can be put in (100 ft plastic irrigation pipe). Hopefully, this can be done in the spring. **Noxious Weed Control:** Ann has talked with Eve Dixon of the Noxious Weed Board about the Poison Hemlock. We will probably have it commercially sprayed in April. **Volunteer Program Revitalization:** Kitty was not here, but Ann reported that Kitty has updated the Volunteer List and called everyone. Margaret Leaf has been added to the list and she has been weeding in front of the Clubhouse. Chris Edwards and Lisa Talbot will take care of the kayak area if Art will have Donnie chop down the heavy weeds there. Barbara Barnhart has been pulling Scotch Broom. Thank you Barbara. Phyllis volunteered to write Thank You notes if Kitty will get the list to her. **NEW BUSINESS: Ad Hoc Committee:** Members should be encouraged to take care of the common area in front of their own property. An article will be put in the Newsletter. **Memorial Park:** Nothing much has been done there lately. Phyllis mentioned the bed that runs along Gunnar Bersos property. She would like Donnie to pull out the Cistus (Rock Rose) that doesn't look well there. She would like us to put in Mugho/Shore Pines and let it go wild. Ann said maybe, in the winter, we can have Donnie do a major cleanup – weed eat the rock area at Memorial Park, take out the Cistus, take care of the blackberries, etc. Phyllis asked about the garbage pickup. She wanted to know if Donnie has a scheduled time for emptying the barrels. Art said the commercial pickup has been increased to once a week during the summer. He will put Donnie on a Thursday or Friday schedule, for our barrels. Betty needs a large bucket of water at the 4 way stop so she can water the Rhody she planted there. Art will talk to Donnie about doing that. Barbara asked that someone take over the weeding of the So. Entrance of the Village until she recuperates from her knee surgery.

New Business Information Items:

- Art Burke will continue working with Jim Fling to develop a proposal for replacement of dehumidification system, repair of the electrical system. No deadline for this ongoing project has been established.
- Art Burke reported that the member who owns 170 S. Palmer Drive is now in compliance with the Cape George Rules & Regulations.
- Art Burke reported that reconstruction work on speed bumps on Dennis Blvd in the Village would begin on Wednesday, July 14.
- Shelly Peterson gave a report from the Ad Hoc Committee to study and make recommendations for lot maintenance, care of CG common properties, vacant lots, and private properties. They will also put an article in the August and September newsletters that will outline goals and concerns.
- Jim Fling, Co-Chair, Swimming Pool Committee has ordered a weather station and it should be here in a couple of weeks.

New Business Action Items:

Motion 1: Dick Poole moved, Leanne Ryan seconded to approve an increase in our General Insurance Policy coverage by \$1,566.00 annually to include additional items of our water system. Passed 4/0

Motion 2: Leanne Ryan moved, Dick Poole seconded to allow the Manager to initiate a thirty day free trial of the “One Call Now” home owners association information system. Passed 4/0

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JULY 15, 2010
7:00 PM

Motion 3: Richard Hilfer moved, Bill Stull seconded to approve a Due Date Adjustment Form for a member. Passed 4/0

Motion 4: Dick Poole moved, Richard Hilfer seconded to approve the payment of \$8,024.00 to Shearer Excavation for dredging of the Marina entrance. Passed 4/0

Motion 5: Dick Poole moved, Richard Hilfer seconded to approve the resolution to transfer \$5,000.00 from Marina Reserves to the General Investments Account for payment to Blue Water Engineering for the Marina entrance survey. Passed 4/0

Open Board Discussion:

Discussion and recommendations from Board members concerning information forms (Agenda Deadlines, Calendar of Board Meetings and Deadlines, Committee Chairs and Board Liaisons, and Major Projects) and any other related items.

Update on Salmon BBQ – Leanne Ryan

Announcements:

August 10, 2010, Study Session at 3:00 pm

August 12, 2010, Regular Board Meeting at 7:00 pm

Adjournment: Richard Hilfer moved, Dick Poole seconded to adjourn to Executive Session at 7:25 pm to discuss communications from legal counsel. Passed 4/0

Executive discussions are confidential.

Bill Stull moved, Richard Hilfer seconded to adjourn the Executive Session at 8:30 pm and resume the Regular Board Meeting. Passed 4/0

Adjournment: Leanne Ryan, Richard Hilfer seconded to adjourn the Regular Board meeting at 8:35 pm. Passed 4/0

Submitted by:

Richard Hilfer, Secretary

Approved by:

Robin Scherting, President

CAPE GEORGE COLONY CLUB
ANNUAL MEMBERSHIP MEETING
July 17, 2010

1. **Call to order:** Robin Scherting served as the host for this meeting. Meeting was called to order at 2:00 PM.
2. **In Attendance:** Board members in attendance included Robin Scherting, Leanne Ryan, John Hanks, Mike Smith, Richard Hilfer, Dick Poole, and Tom Ramsey. Approximately 30 members were in attendance.
3. **Action on Minutes:** Barbara Hill moved, Gary Nelson seconded, to approve the minutes from the last Membership Meeting of July 25, 2009. Passed by the Members
4. **Membership Report:** Richard Poole, Secretary, Provided both an oral and written report. The oral report was a summary of the written report which is available at the CGCC office. There were 34 new members which represent 22 properties.
5. **Treasurer's Report:** Tom Ramsey, Treasurer, provided both an oral and written report. The oral report was a summary of the written report which is available at the CGCC office.
6. **Manager's Report:** Arthur Burke, Manager, provided both an oral and written report. The oral report was a summary of the written report which is available at the CGCC office.
7. **Water Manager's Report:** Greg Rae, Water Manager, provided both an oral and written report. The oral report was a summary of the written report which is available at the CGCC office.
8. **Committee Reports:**
 - BUILDING:** The Building Committee reviewed and issued permits for 65 requests to conduct tree cutting and building activities during the past 12 months. It also reviewed and made recommendations to the Board on the merits of five variance requests. In addition, it provided information about the Cape George building regulations to people planning to build or purchase property in the community. Several revisions to the Building and Property Regulations that would improve clarity or address neglected issues were drafted and presented to the Board for their consideration. A summary of the permits issued is provided below. **Tree removal permits:** - Colony, 20, Village, 6, Highlands, 7 Total 33. **Earthworks permits:** - Colony, 9, Village, 6, Highlands, 4 Total 19 (includes driveway connections). **Building permits:** - Colony, 7, Village, 3, Highlands, 3 Total 13 (Includes four new residences)
 - EMERGENCY PREPAREDNESS:** The Cape George Emergency Preparedness Committee continued to prepare for potential disaster impacts on CG residents, members and renters. The EMC met twice during the year to provide guidance to the Committee chairs. After 10 years, the Neighborhood Watch/Block Captain Telephone Trees, co-chaired by Mikel Stull and Helen Rector, were disbanded in favor of a telephone tree based on the Cape George directory. EPC Education Chair, Sue McKay, has provided preparedness information for each month for publication in the CG newsletter. She also organized a flu presentation and CPR and first aid workshops for members. The EPC Special Projects Committee, chaired by Maria Porter, is gathering information from those residents who self-identify as possibly needing a little extra help in the event of a disaster. They will provide information on how to prepare to folks with special needs. The Incident Management Team and 1st Responders, coordinated by Carolyn Salmon, have held training exercises with the participation of the five CG HAM operators. The team has acquired a 250 gallon tank to hold potable water in the event the water distribution system is compromised. They also acquired two portable loud hailers to be used to notify residents in their yards or at the Marina of impending disaster and for other communications needs. The EPC co-chairs and other EPC members have attended the bi-monthly Neighborhood Representatives' meetings sponsored by East Jefferson County Emergency Management Department. Thanks to Bill for organizing and serving on the EPC for eight years and Mikel Stull for 10 years of diligent service in gathering and keeping the telephone tree information current. Their active participation will be missed as they step back from EPC positions; however, like all CG residents, they will be prepared to act if there when there is a disaster which affects their neighbors.
 - ENVIRONMENTAL:** Our Environmental Committee continues work on its areas of responsibility: maintaining our many common areas, in cooperation with our Manager and maintenance staff; provide enjoyable educational programs for the membership; coordinating outside agencies such as the state Dept. of Natural Resources, the Jefferson County Weed Control Board; and the Port Townsend Marine Science Center and of course, fundraising. Since last July we have accomplished the following:
Ridge Drive Entrance: We planned and planted the large area between the entry sign and the

CAPE GEORGE COLONY CLUB
ANNUAL MEMBERSHIP MEETING
July 17, 2010

abandoned water tank with native plants or varieties derived from them, to make a more pleasing entrance with minimal long term maintenance. Big Thanks to Barb Hill, Ann Simpson, Dick Poole, Greg Getch and our maintenance staff, Donnie and Dean. **Protection Island Liaison:** We responded to a request from the DNR for a Cape George representative on their advisory Board for Protection Island. We were very pleased when Ross Anderson stepped up to do the job. **Noxious Weed Control:** We arranged for the commercial spraying of rampant Poison Hemlock along our Marina road and clubhouse common areas. Eve Dixon, of the Weed Control Board approved our action and is advising us to further efforts in the future. We also thank Barbara Barnhart for working at hand pulling Scotch Broom. **Other Common Areas:** We did maintenance work in most of the common areas. We contributed \$400 towards the renovation of the BBQ picnic area done by Dick Poole. A list of our other true blue volunteers and the areas they care for will appear in the August newsletter. We are putting renewed effort into finding additional members willing to maintain a small corner of our Cape George. **Educational Programs and Fundraising:** We sponsored programs on our water system, seabirds and raptors, and a species identifying beach walk. Our Pancake Breakfast in June was a success. **FINANCE:** The finance Committee reviews financial statements monthly and advises the manager of any concerns. We review the draft budget prepared by the Manager and Treasurer and make recommendations to the Board about the budget. The Committee is also charged with annually updating the reserve schedules, reviewing and advising the Board regarding the recommendations for changes in the insurance coverage and with reviewing the annual CPA audit. With the transition of the Manager, the addition of an accounting service and the change in composition of the Committee itself, this has been an active year for Finance Committee members. Input was provided to the Board on the selection of the accounting firm as well as the new manager. Throughout the year Committee members were also involved in the analysis of Pool utility savings, the payback to the reserve accounts of the loan for the Pool heat pump and the general reconciliation of the reserve accounts themselves. Members provided the Board with advice on changes to financial policies and practices in the areas of accounts receivable and insurance and were instrumental in identifying a budget error related to number of active residential lots. As a result of work with the external auditor, more robust internal control processes were recommended to the Board. Lastly, Reserve balances as of June 30, 2010, General - \$94,722, Water - \$152,274, Marina - \$162,399, General Investments - \$66,835. **FITNESS:** This past year I once again assumed the chairmanship of the Fitness Committee. I have been supported by many fine members and we feel we have made some beneficial strides in improving our room. Our goal is to have a wide variety of equipment to meet as many needs as possible. We have held two fund raising events this year. We have raised nearly \$7000.00. With these funds we have been able to purchase a second reconditioned Life Fitness recumbent bike and with the help of Granny's attic funds we purchased a second 2010 Nu-Step machine. We thank the community for their support in doing this. We held a month long survey to determine the most used pieces of equipment in order to make room for the new bikes. It is always hard to remove a piece as it is someone's favorite. This was the only fair way to determine what was to go. We are currently looking into our commercial Life Fitness treadmill to determine if it is prudent to spend the money to repair it. At the current time we have a little more than \$300.00 in our account. We will hold a silent auction the first weekend in October to replenish our funds and to save in case we do have to replace one of the treadmills, as they have a life expectancy and do take some very hard use. The use of the equipment is now higher than it has ever been. We feel it has been a successful and rewarding year. We would welcome any of you that would like to join the fitness Committee, and also anyone who would like to help with our auction or has something that they would like to donate to it. We are looking for a few special items. Feel free to call me or Robin Scherting. **MARINA:** The Marina Committee is pleased to report yet another year of self sustained repairs and improvements to one of our communities greatest assets. We accomplish this with a core volunteer working group and, where necessary, the cost effective use of professional contractors. The Marina was constructed approximately 50 years ago and the infrastructure, including entrance walls, pilings, docks, floats, water and electrical systems are all subject to natural forces and decay. **Member Survey:** A survey of members' views on the value of, and needed improvements to the Marina was

CAPE GEORGE COLONY CLUB
ANNUAL MEMBERSHIP MEETING
July 17, 2010

completed to give our Committee and the Board insight on future directions. We found that the vast majority of members, including those who don't use the Marina, agree that it adds to property values and needs to be maintained and improved for the benefit of all. **Maintenance:** Dock repair and float replacement continues with an improved system of removal of old Styrofoam floats minimizing damage to the existing docks. The floats are being systematically replaced with encapsulated floats that are more durable and environmentally friendly. The older wooden dock boxes are being replaced with a more durable and attractive alternative. Thirty six have been replaced to date. The dock water distribution system has been replaced with UV and freeze resistant piping. We are replacing broken and weakening dock cleats with heavy duty galvanized replacements. Seventy eight have been replaced to date. Piling rollers are being replaced with durable friction free plastic. There is also a plan to repair or replace several deteriorated pilings later this year. Inspections of our electrical system and accelerated underwater corrosion on boats led to necessary repairs on the north docks and provide a basis for policies to prevent future incidents of corrosion damage. Finally, annual dredging of the entrance was completed July 12/13 to a depth of approx. -3 ft allowing improved access for the summer boating season. **Other projects:** We have completed reconstruction of a work boat to aid in maintenance activities. We are also putting together boxes of safety related equipment, including pumps that will be deployed on the docks. Coast Guard Aux. safety inspections are being conducted during weekly work activities. Finally, a weather monitoring station has been installed in the workshop. Committee members also continue to repair and replace tools and equipment that are used by the community at large. **Renovation and enhancements:** The Board established an ad hoc group to look at longer range efforts for Marina enhancements. Our greatest challenge this year has been moving forward toward a solution to repair and replace our failing seawalls and explore solutions to make our channel more user friendly. Permitting construction in or near our waters is very difficult so we chose to explore all options available from replacement of existing structures with continued annual dredging and usage limited by tides, to a redesign of the channel to eliminate or minimize dredging and open the channel to access over a range of tides. Efforts have included meetings with US Army Corp of Engineers, Washington Dept. of Fish and Wildlife, and a marine engineering firm, Layton and Sell, who analyzed our Marina entrance nearly 25 years ago! As a result we have completed a hydrographic survey to define our boundaries and depth of the existing Marina and tidelands. We have also contracted Layton and Sell to advise us on our options and present an engineering recommendation with cost estimates to replace the entrance. We look forward to presenting the findings and options to the community within the next 60 days. All of this has been accomplished within the Marina budget that is funded by Marina users.

POOL: The Pool Committee has been busy, and has met almost monthly. Jim Fling was very active in working together with the Manager to research how best to manage the humidity in the Pool area. If we can keep humidity at industry standards, we have a better chance of preserving the building and protecting it from water damage. Toward this end, Jim created a proposal, including quotes, for a dehumidification system for the Pool building. He has also developed and discussed various other options, and has laid the cost estimates and implications of those other options. At the Board's request, Jim presented the dehumidification info to the Board and to the membership at large, bringing in experts and showing what data was available. Since purchasing a dehumidifier is the best technical approach, but is expensive, the Committee decided to gather additional data before we went forward with an official funding request. We'd like to include a Return On Investment estimate with that proposal. To accomplish this necessary information gathering, the Committee purchased a weather station, and will soon begin to gather additional fuel usage and weather data. During the year, the Committee also investigated various issues relating to electrical and condensation related problems, and made recommendations to the Board. Lately we have begun to work on highlighting the attractions of the Pool, and hope to see an increase in usage by the membership.

ROADS: The purpose of the Committee is to: review and advise the Board regarding all roads issues; review and approve driveway and ditch/culvert permits; work with the Manager on roads operations, maintenance and repair issues; and submit recommendations for annual budget needs for roads. The main items of business for the 2009 – 2010 year were as follows: **Speed bumps on Dennis Blvd.:**

CAPE GEORGE COLONY CLUB
ANNUAL MEMBERSHIP MEETING
July 17, 2010

The Roads Committee met in August 2009 and continued through July 2010 to advise the Board and Manager with regard to the installation and subsequent correction of two speed bumps on Dennis Blvd. The Committee did not recommend speed bumps but advised that it was a policy matter for the community and Board to decide. Speed control in residential streets, particularly on longer straight stretches, is a problem with limited solutions in every community. Cape George is a private community so we don't have a police enforcement option and have to rely on physical and educational approaches. The Manager does have the authority to warn and fine violators but we rely on voluntary compliance of our speed limits. The speed bumps were installed by the Manager at the direction of the Board, relying on the paving contractor to implement the proper design. The contractor installed speed bumps that might have been appropriate for parking lots and speeds of 5 mph or less but not appropriate for 20 mph streets. The Committee has supported the Manager is trying to resolve the problems associated with the speed bumps by hiring a different contractor to modify them. **Colman Ravine Road:** The Committee advised the Manager with regard to monitoring the cracks in the pavement to determine if there is an increase in the cracks. The pavement needs to be maintained but doesn't appear to be moving significantly. **Newsletter Article:** The Committee submitted an article for the Newsletter regarding our roads investment and long term approach to pavement maintenance. **On-going Activity:** Most of the on-going Committee activity involved periodic review and approval of driveway aprons and other permits related to roads and drainage in the rights-of-way. Good maintenance of road shoulders and ditches are important and cost effective measures to preserve our roads. Although our roads appear to be in good shape, we still need to conduct a complete review and evaluation to insure their future service to our membership.

SOCIAL CLUB: Events: *July 2009* - 4th of July Barbecue, Salmon Barbecue, September Labor Day Barbecue, *October* – Oktoberfest, *December* - Christmas appetizer buffet and gift exchange *February 2011* - No-host Super Bowl Party, Potluck dinner and Wine Tasting, *March* - St. Patrick's Dinner, *April* - 1st Annual Cape George Revue & potluck, *May* - Memorial Day Potluck (Soup Supper Group hosted), Newcomers Dinner with Taco Bar/Mexican Dinner, *June* - Summer Solstice BBQ and Party. **Social Committee Meetings:** September - Luncheon, January - Luncheon, April - Luncheon, June – Luncheon. **Major Expenditures** Three new cedar picnic tables - \$1,030, Direct TV Contract \$100/mo. (approximate), Cape George Regatta 2009 - \$100, Donation towards landscaping north of Clubhouse - \$200. **Support & Planned Upcoming Events:** Coordinated purchases at Christmas for victims of domestic violence and their children. Donations to this program are made by residents and used for purchase of clothing, toys and gift certificates. **Cape George University:** A series of educational programs to be presented by and for residents of Cape George.

WATER: The Committee is advisory to the Board of Trustees on all matters pertaining to the water system and works to maintain the integrity of the water system. The Committee membership is approved by the Board and serves for a two-year period from August 2008 to 2010. Meetings are typically held on the first Tuesday of each month at 5 pm. Meeting reports are provided to the Board after each meeting. Greg Rae is the licensed 'Water Manager' and oversees the technical and health-related operations. The day-to-day operations of the water system such as meter reading, leak repairs and new connections are performed by the Manager and staff. Emergency coverage is provided 24/7 as needed. The main items of Committee business for the August 2009 – 2010 year were as follows: **Water System Plan:** Most of the year, we (primarily Ed, Greg and Stew) have been working on drafting and submitting an updated Water System Plan (WSP) to the WA State Dept. of Health (DOH) as required by law. DOH has a standard format for all agencies and much of it was filling in the blanks with existing information from our previous Plan but some of it required updating. Ed did most of the drafting with input from Greg and our consultants, NTI of Port Angeles. We also, with thanks to Stew, updated the system plans for the water well and tank site. Stew surveyed and developed detailed drawings for the wells, pump stations, tanks and piping that were included in the WSP. The draft Plan was submitted to the DOH only to find that it might have led to limiting our water availability to less than full build out for every lot in Cape George. It appeared that we needed to expand the draft WSP in order to better address that issue. The Manager, Ed and Greg met with DOH and determined that we should wait on submitting the final WSP until a lawsuit by others with regard to water rights is resolved. Lower

CAPE GEORGE COLONY CLUB
ANNUAL MEMBERSHIP MEETING
July 17, 2010

courts have ruled and appealed to the WA State Supreme Court that has held hearings and is expected to issue a ruling in November 2010. Cape George has an ultimate build out potential for 665 lots, the owners of which have been paying for the water system throughout our water system history. There are numbers of 640 or 653 connections in various official documents and correspondence along with the 665 number. Cape George has also filed an application for additional water rights but it's unlikely that the additional rights will ever be approved. Ed has maintained records and is a staunch defender of our water rights and approved connections for all 665 lots. We have enough water rights to serve all 665 lots but it's a matter of the number of connections that will be allowed by the State DOH. As noted below, we currently serve just fewer than 500 connections. **Water Conservation:** Addressing water conservation is a required element in every Water System Plan which is included in our draft Plan. Greg also wrote a newsletter article that addressed water conservation measures for our members. Our new water meter reading software system now gives us another tool in addressing water conservation by identifying customers that probably have water leaks so we can call it to their attention and get them repaired. It also clearly identifies customers who consistently use above average amounts of water and allows us to approach them with suggestions to reduce their water demand. We do charge property owners that use an amount in excess of 250 gallons per day on an annual basis. We analyzed the water meter readings between February 15, 2009 to January 5, 2010 (324 days). There were a total of 493 customers listed on this report. The total use for the period was 27,340,332 gallons for an average of 171 gallons per customer per day (gcd). The allotted average is 250 gallons per customer per day for an entire year. Average use for all customers in gpd for the billing periods as follows:

Feb 15 to May 4 = 130, May 4 to June 9 = 145, June 9 to July 7 = 289, July 7 to August 7 = 282, August 7 to September 9 = 234, September 9 to October 8 = 186, October 8 to November 6 = 118, November 6 to December 10 = 108, December 10 to January 5 = 117. 87 customers used in excess of an average of 250 gcd over the entire period. Of those, 71 customers used between 250 and 500 gcd, 11 customers used between 500 and 1000 gcd, 4 customers used between 1000 and 2000 gcd and 1 customer used over 2000 gcd. That last customer used excessive amounts from Feb 15 to Oct 8 and then the average use dropped back to well below 250 so there could have been a large leak or some other reason that was corrected. One customer in the 1000 to 2000 block had normal use until July, then had typical irrigation use in July and August then extraordinary use in Sept, Oct and Nov before dropping back into normal use which would indicate a problem that was corrected. One customer in the 1000 to 2000 block was over 250 every period and had a high period of 2010 gcd with most others over 1000. Another customer in the 1000 to 2000 block had three reading periods over 3000 gcd. A directly related water operations issue is 'unaccounted water use' which is shown by the difference between the metered water produced and the amount of water sold through the customer water meters. Industry standard for 'unaccounted water use' is less than 10% which allows for some loss but requires good monitoring to ensure the standard is met. Now that our customer meter reading system is fully functional, we are within the standard range. Most of our 'lost' water is accounted for as back-wash for the water filters and flushing of water mains. **Water Quality:** Federal and State laws require every water system operator to take periodic water quality samples to test and document levels of a list of potential contaminants. Results in excess of the established maximum contaminant level would require corrective action. The laws require the water system operator to publish and send a Consumer Confidence Water Quality Report (CCR) to every customer. Our CCR was mailed to all of our members with the annual ballots for the Board. Copies of the CCR can be obtained at the office. Cape George does have a water filtration and treatment system to maintain a high level of water quality. **Budget:** The Committee reviewed and provided input on the annual water operations budget as well as expenses throughout the year. We provided information to the Board regarding long-term capital planning for the water system. The Committee also worked with the Finance Committee to revise the Rules and Regulations to allow for shutting off water meters for properties that are substantially in arrears for their Club assessments and fees.

Election Results: Robin Scherting reported the winners and the general results. 3 ballots were not opened due to the member not being in good standing, 1 was not opened due to the member not signing the validation envelope. As provided by the written report of Joyce Skoien, the Election

CAPE GEORGE COLONY CLUB
ANNUAL MEMBERSHIP MEETING
July 17, 2010

Committee Chair, which is available at the CGCC office, the vote tallies are as follows: the two receiving the highest number of votes are elected to the Board of Trustees;

Mike Smith	148 votes
John Hanks	129 votes
Ray Pierson	128 votes

Robin Scherting thanked the candidates for running and the Nominating and Election Committees for their efforts in this election.

9. **Adjournment:** Charlie Boulay moved, Barbara Hill seconded, passed by Member's vote to adjourn at 2:40.

CAPE GEORGE COLONY CLUB
SPECIAL BOARD OF TRUSTEES MEETING
JULY 17, 2010
3:50 PM

- 1) Welcome and Introductions – Robin Scherting.
- 2) In Attendance: Robin Scherting, Leanne Ryan, Dick Poole, Richard Hilfer, John Hanks, Michael Smith
- 3) New Business Action Items:
 - a) There was some discussion about times for Study Sessions & Board Meetings. The Study Session will stay at 3:00 pm and the Board Meetings will stay at 7:00 pm

b) Election of the Board Officers

Each of the new officers ran unopposed for their positions. The new Board Officers are as follows:

President, Robin Scherting

Vice President, Leanne Ryan

Treasurer, Tom Ramsey

Secretary, Richard Hilfer

c) New Board liaisons where chosen for each of the committees

d) It was decided that a Board Training Session will take place August 10th after the Study Session

- 4) Adjournment: Motion to adjourn was made by Richard Hilfer, seconded by Leanne Ryan. Motion passed 5/0 Meeting Adjourned at 4:25 PM

Submitted by:

Approved by:

Richard Hilfer, Secretary

Robin Scherting, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
AUGUST 12, 2010
7:00 PM

- Junk cars at residence on Magnolia Avenue.
- Aggressive dog at residence on Magnolia Avenue.
- Noxious weeds growing in multiple lots on Maple Drive.
- Trash in yard and drive at residence on Pine Drive.
- Plugged up sink at outside pool restroom.
- Power outage at tank farm.
- Lots not mowed on S. Palmer Drive.
- Door to door sales taking place in the Village.
- Dogs barking on N. Palmer Drive.
- Lot not being maintained on Pine Drive.
- Trees encroaching on property line at residence on S. Palmer Drive.
- Bright lights shining from residence on Maple Drive.
- Vehicles driving too fast on Dennis Blvd.

Preliminary work is being undertaken to prepare for the 2011 budget planning cycle. Committee chairs have been contacted to work with their members on providing a proposed project list for 2011.

I received a report from a member at the marina that a suspicious pickup had pulled into the south parking lot and two men had gone over the bank and onto the beach heading south. From what was observed it appeared as though they were planning on collecting driftwood. After gathering some information from them they were advised that this was a private community, they were trespassing and directed to leave. We appreciate everyone who is keeping an eye out for this type of occurrence.

The second quarter water overage post cards have been sent out to members with water usage that is averaging in excess of 250 gallons per day (GPD). There are currently 17 residents in this category:

13 at 250-350 GPD, 2 at 350-450 GPD, 1 at 450-550 GPD, 1 at over 700 GPD

We have already had several members discover leaks as a result of this notification process. What is notable is that there has been a 47% reduction in members using in excess of the 250 GPD from the first quarter.

Committee Reports: Building: 4 Tree Removal Permits, 1 Earthworks Permit, and 0 Building Permits were issued this month. **Environmental:** The Environmental Committee takes care of the common areas in Cape George and there are still several areas where we need volunteers to help. Betty Hanks is doing her best at Memorial Park but needs help. It's too big a job for one person. If you can help, please call Kitty Rucker @ 385-4927. A panel has been removed from the side of the shelter by the clubhouse. It looks nice but needs painting. Phyllis Ballough volunteered to do it. Working with the Ad-Hoc Maintenance Committee, we discussed having a Cape George "Clean Up Day". We talked about budget

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
AUGUST 12, 2010
7:00 PM

requests. Our two hoses & oscillator were taken from the south entrance of the Village. Gary & Pat Gunning have generously offered to give us a couple of hoses so we can water the newly planted trees. Thank you Gary & Pat.

New Business Information Items:

- Jim Fling has purchased the Weather Station and is working on the instrument mast to get it ready to be installed.
- Art Burke will work with our Web Master, Jerry Taylor, to add new items (current building permits, etc) to the CG website.
- Jim Pickrell gave a report from the Ad Hoc Committee (for Shelly Peterson) listing their three main objectives – 1) Notify the community that existing rules and regulations have not been enforced in the past but will be in the future. Articles are being put in the newsletters to this effect and letters sent to nonresident members. 2) Developed a list of serious violators and 3) Assist Manager to help ensure peace and harmony in the compliance process.
- Art Burke is still gathering information for a “One Call Now” a homeowner’s association information system.
- Karen Krug, Finance Committee Chair presented a mid year Financial Status Summary Report – Analysis of Income/Expenses through 6/30/10 and Projection of Expenses to Year End with suggested/advisory recommendations.

New Business Action Items:

Motion 1: Dick Poole moved, Tom Ramsey seconded to approve the height variance request from 17’ to 23’ by Dorothy Major for lot 5, Div. 4 in the Village– 141 Ridge Drive. Passed 6/0

Motion 2: Tom Ramsey moved, Leanne Ryan seconded that the Cape George Club Board of Trustees approve the following individuals as Chair or Co-chair of these Club Committees. **Finance** – Karen Krug, Chair, **Water** – Larry Southwick, Chair, **Roads** – Larry Southwick, Chair, **Emergency Preparedness** – Thad Bickling, Co-chair & Carolyn Salmon, Co-chair, **Elections** – Joyce Skoien, Co-chair & Mercedita Del Valle, Co-chair, **Environmental** – Ann Candioto, Chair, **Fitness** – Phyllis Ballough, Chair, **Marina** – Charles Boulay, Chair, **Nominating** – Bernie Del Valle, Chair, **Swimming Pool** – Jim Fling, Co-chair, & Helen Rector, Co-chair, **Social Committee** – Mary Hilfer, Co-chair & Norma Lupkes, Co-chair. Passed 6/0

Motion 3: Richard Hilfer moved, Mike Smith seconded to approve a Due Date Adjustment Form for a member. Passed 6/0

Motion 4: Richard Hilfer moved, John Hanks seconded to hire a water system consultant to do an analysis of our system that will lead to development of a long term replacement plan, cost to be determined and to be included in next year’s budget. Passed 6/0, as amended.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
AUGUST 12, 2010
7:00 PM

Amendment to Motion 4: Richard Hilfer moved, Tom Ramsey seconded to authorize the Water Committee to establish a plan for testing core samples of our water system pipes. Passed 6/0

Motion 5: Leanne Ryan moved, Tom Ramsey seconded to deny the appeal from member Bonnie Whyte for clubhouse rental charges, there will be no waiving of any late fees accrued. Passed 6/0

Motion 6: John Hanks moved, Mike Smith seconded to approve the variance request to install a water connection at 444 Sunset Blvd. before obtaining a Building Permit. Passed 6/0, as amended.

Amendment to Motion 6: John Hanks moved, Dick Poole seconded to allow the installation of a water meter at 444 Sunset Blvd. Passed 6/0

Motion 7: John Hanks moved, Mike Smith seconded to approve the request from Charlie Boulay for Board input in selecting a Marina forum date so they may get maximum participation from the Board without doing a presentation at a Board Meeting. Passed 6/0, as amended.

Amendment to Motion 7: John Hanks moved, Mike Smith seconded to hold a Special Board Meeting on Thursday September 2, 2010 at 7 pm for a Marina Committee Forum, to include the Cape George membership. Passed 6/0

Open Board Discussion:

Tom Ramsey expressed concern over the long range condition of such building as the office, the barn and the workshop. He would like to see a Long Range Planning Committee be reinstated. There was discussion about bringing in a Professional Building Inspector to locate any immediate repairs that need to be done.

Announcements:

September 14, 2010, Study Session at 3:00 pm

September 16, 2010, Regular Board Meeting at 7:00 pm

Adjournment: Leanne Ryan moved, Richard Hilfer seconded to adjourn the meeting at 8:45 pm

Submitted by:

Approved by:

Richard Hilfer, Secretary

Robin Scherting, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
SEPTEMBER 2, 2010
7:00 PM

President Robin Scherting called the meeting to order at 7:00 PM.

Welcome & Overview – Robin Scherting, President

In Attendance: Robin Scherting, Richard Hilfer, Leanne Ryan, Dick Poole, Mike Smith, John Hanks, Tom Ramsey

Introduction – Charlie Boulay

Charlie gave a brief history of the Marina; the Board's direction to the Ad Hoc Planning Committee; Community opinion survey; and meeting purpose i.e. to update the community on progress.

"Your Marina" – Prepared by Paul Happel

This was a 6 minute multimedia presentation on the Marina, its users, volunteers, and the challenges we face.

Condition Assessment – Gary Rossow

Gary gave a brief statement on the state of the infrastructure of the Marina including the entrance channel, pilings, docks and floats.

Progress to date – Gary Rossow

There have been meetings with the permitting agencies. They say to expect a wait time of about 18 months.

The Hydrographic Survey has been completed by Blue Water Engineering.

Engineering design recommendations/cost estimations were given by Layton & Sell. They estimate between \$1,780,000 – \$2,320,000.

Recommendations for next steps—Gary Rossow

Refine the design for lower cost

Conduct related required studies

Evaluate funding options (Board/Finance Committee/Community)

Apply for permits

The Board discussed using the monies in reserves which has been designated towards this project. This amount is \$160,000.

A community member suggested that the Board look at all of the financing options available.

Announcements:

September 14, 2010, Study Session at 3:00 pm

September 16, 2010, Regular Board Meeting at 7:00 pm

Adjournment: Tom Ramsey moved and John Hanks seconded to adjourn the meeting at 8:15 pm

Submitted by:

Approved by:

Richard Hilfer, Secretary

Robin Scherting, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
SEPTEMBER 16, 2010
7:00 PM

President Robin Scherting called the meeting to order at 7:00 PM.

Welcome & Comments – Robin Scherting, President

- Two motions will be added to the meeting agenda
- Board Member's time away schedules to Art Burke
- Resignation of Rhebe Greenwald, member Finance Committee
- Response to Tsunami Siren Test on Wednesday, Sept. 15, 10:15 A.M.
- Thank you to Joel Finlay, Parliamentarian

In Attendance: Robin Scherting, Richard Hilfer, Leanne Ryan, Dick Poole, Mike Smith, John Hanks, Tom Ramsey

Action on Minutes: Tom Ramsey moved, Leanne Ryan seconded to approve the minutes of the Regular Board Meeting of July 15, 2010 with corrections. Passed 6/0

John Hanks moved, Dick Poole seconded to approve the minutes of the Special Board Meeting/Marina Forum of September 2, 2010. Passed 6/0.

Membership Report: Richard Hilfer

Michael Porter & Mary Munford Porter
Byron Gerke

191 Quinault Loop
210 Ridge Drive

Treasurer's Report: Tom Ramsey

As of August 31, 2010, the Checking Account total was \$42,545. There are a total of 4 CD Accounts totaling \$405,262, and 1 Money Market Account totaling \$40,047, and 2 Petty Cash Funds totaling \$600 for a total of \$488,453 in cash and investments. **Accounts Receivables**, as of August 31, 2010 Accounts Receivables totaled \$4,498. This is a good number, but I expect it to increase because of the tri-annual assessments due this month. There are 11 accounts over 60 days past due and 19 accounts over 90 days past due. This is a sign of the times, and fortunately our Manager has been pro-active on working on addressing directly those member accounts that are in arrears. I will work on this with our office staff, and Manager, to reduce these numbers. **Summary of Expense & Income Statement Review**, as of August 31, 2010: General Operations is \$4,450 under budget, however, we're expecting a \$1,000 short fall by the year end with minimal funds or no funds for our reserve account at year end (this can improve with the austerity programs put in place by our Manager): Water Operations is \$19,870 under budget: and Marina is \$1,162 over budget.

Manager's Report: Art Burke

We have completed the changeover of propane services in an attempt to control operational costs at the swimming pool. We will continue to look for opportunities to get the best value for services in the community.

I have received the following complaints/reports over the past month:

- View obstruction/hedge violation on Huckleberry Drive.
- Resident operating commercial business from home on Maple.
- Underage children of members using pool, fitness room and dock area without an adult present.
- Tree in right-of-way blocking view on Ridge Drive.
- Non-member regularly exercising horse on roads in the Highlands.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
SEPTEMBER 16, 2010
7:00 PM

- Complaint from outside neighbor of tree being cut at Fir Place property.
- Report of vomit on deck of pool.
- Report of Clubhouse heat being left on over night.
- Tree branch hanging into roadway on Dennis Blvd.
- Outside light not working at Fitness Room
- Hedge violation complaint on S. Palmer Dr.
- Lot maintenance complaint on S. Palmer Dr.
- Reminder of roadway maintenance responsibilities in the Highlands.
- Member expressed concern over areas of the community shop not being accessible.
- Lights in pool area needing to be replaced.

I have started a discussion with Jefferson County Department of Community Development regarding shoreline and bluff management best practices. We are hoping to gain some insight into what steps are most appropriate to protect and stabilize our bluff areas.

In our efforts to get the word out to as many members as possible, we have direct mailed the announcement regarding property maintenance to all non-resident property owners in the community. Beginning in October, we will be working diligently to address complaints concerning property maintenance issues.

Sometime between the evening of Friday, August 27th and the morning of Saturday, August 28th a theft of two outboard motors occurred in our marina. Both motors were on the same boat, which was on a trailer in the south parking lot. The theft involved cutting fuel lines and getting past the locks securing the outboards to the transom. A report has been filed with the Sheriff's department and it is apparent from information received from their office that other marina thefts have been occurring in our area.

The 2011 Budget development has been occupying a great deal of my time. In many ways it is a "good thing" since I am becoming much more aware of many aspects of the Cape George organization.

Committee Reports: Water: Ed recently talked to Bob Leach of NTI, our water system consulting engineer, and reported that NTI is going to open a branch office in Port Townsend. Bob will spend a couple days a week in the PT office and be more available for our support, when needed. Ed said Bob has been our consultant since about 1981. Ed reported no news with regard to the State Dept. of Health (DOH) lawsuit status that is affecting our water system planning. We'll continue to hold until that's resolved, maybe after Thanksgiving. The impact is on approval of 665 water connections versus 640 which DOH is showing as our current limit. We have adequate water rights and system requirements to support the 665 and we need to continue to push for full approval of 665 to assure connections for complete build out on every lot, if and when they need water service that they've paid for all these years. We've been planning and need to budget next year for drilling a replacement well for #5 which has limited capacity. The estimate for drilling is \$45,000 plus another \$15,000 for a new pump, total \$60,000. Well #5 was taken out of use some years ago and we rehabilitated it but at limited capacity. We need the full capacity for backup if one of the other wells is out of service at critical times. Greg suggested that we also budget \$1,000 for a new production water meter and then have each of the other large meters calibrated. We discussed the Board's direction to begin an asbestos cement pipe sampling program to gather enough data to develop a long term piping system replacement plan. Ed argued that digging up the pipe carries the risk of breaking the pipe and potential damage if it blows out, that the risk outweighs the benefit. The alternative we agreed was to increase the valve program to install 6 new valves next year in

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
SEPTEMBER 16, 2010
7:00 PM

locations around the system and gather the pipe samples at each location for testing and long term planning needs. We'd get better pipe samples that way and the benefit of the additional valves for isolation of potential system problems. We agreed to budget \$15,000 for the valve program next year. Greg will determine where the valves would best serve both needs. We'll need to get figures from Bob Leach as to how much the testing of the pipe samples would cost but we'll budget \$6,000 for the program. We agreed to carry forward the current budget of \$3,500 for Bob to do a replacement plan after we get the valves installed and related pipe samples tested. Ed said that there are low interest loans available through DOH for financing replacement programs like ours when we get to that point. A replacement plan should also take the potential for adding fire hydrants into account. We need to find out from the fire insurance rating agencies whether adding fire hydrants would have a significant benefit to our home owners' insurance costs. Would the benefits justify the additional cost to increase from 4" pipe to 6" or 8" and add the fire hydrants? Ed suggested we also need to consider the potential for future sewer systems that would also need to dig up the streets and coordinate that with the water system replacement program. The benefit would not be in direct cost savings but could be done at the same time to only impact the streets once. Always do all the underground utility work before you do a repaving project. The water meter reading system is working well and we're getting good data that's helpful to the owners with high use. The office sends out notices to homes with high use and they are responding by investigating and repairing water leaks. Directly related is 95% accounted for water as compared to an industry standard of at least 90% accounted for water. Next meeting, Larry will be out of town on Oct 5 so **the next meeting will be on October 4, 2010 at 5 pm at the Office.**

New Business Information Items:

- A. Gordon Yancey will work with Art Burke to prepare a proposal to present to the Board concerning a fund raising benefit concert at Cape George.
- B. Joel Finlay and John Hanks will work with Art Burke on investigating possibilities of using "programs for reserve studies for community associations" and bring their findings back to the Board in October.
- C. The Board asked Tom Ramsey to provide additional information on two proposals from the Marina Committee:
 - i. Increase number of replacement pilings from 4 to 7 – provide vendor contract, updated costs and recommended funding source.
 - ii. Emergency bank stabilization project – provide contract, information on alternate and recommended funding source.

New Business Action Items:

Motion 1: Richard Hilfer moved, Tom Ramsey seconded to hire an independent consultant to perform a reserve study & to include the cost of that consultant in the 2011 budget proposal. Passed 6/0, as amended

Amendment to Motion 1: Richard Hilfer moved, Tom Ramsey seconded that the cost for this consultant is not to exceed \$7,000. Passed 6/0

Motion 2: Leanne Ryan moved, Dick Poole seconded that the Cape George Club Board of Trustees approve the changes to the charters for the Pool Committee & the Emergency Preparedness Committee as amended Passed 6/0

The change to the Pool Committee charter consists of the additional wording added to the bottom of Para. 2 – Duties. "so as to increase enjoyment and usage of the pool facility." Changes to the Emergency Preparedness charter consist of the addition of Para. 2 – Preamble, "Work closely with CG manager to develop and maintain emergency and non-emergency communications methods and procedures." and Para. 3 – Duties, "Work closely with CG manager to provide emergency communications to

residents and information to the Incident Management Team and 1st Responders."

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
SEPTEMBER 16, 2010
7:00 PM

Motion 3: Tom Ramsey moved, John Hanks seconded for the Board to approve an amount not to exceed \$32,000 for the replacement of seven pilings to be done by Redside Construction with funds coming from Marina Reserves. Passed 6/0

Motion 4: Dick Poole moved, Tom Ramsey seconded that we issue a contract to stabilize the bank at the North end of the Marina with Eco blocks & to back fill the washed out area. The funding is to come from the Marina Reserves & not to exceed \$4,500. Passed 6/0, as amended

Amendment to Motion 4: Dick Poole moved, John Hanks seconded that these funds will come out of Marina Operations and not from Marina Reserves. Passed 6/0

Motion 5: Richard Hilfer moved, Mike Smith seconded to approve a Due Date Adjustment Form for a member as presented by the Manager. Passed 6/0

Motion 6: John Hanks moved, Mike Smith seconded to approve the request from the Marina Committee to purchase 25 replacement floats & associated hardware for the Marina docks in the amount of \$3,444.60 with funding to come from Marina Reserves. Passed 6/0

Open Board Discussion:

At the Study Session a member mentioned that they heard that our roads were greatly in need of repairs. According to our latest report, the roads are in great condition. There was discussion about the use of the newsletter & mass e-mail system to promote donations for charities. There are currently no policies or regulations to control this and it was decided that this should remain a decision to be made by the Manager.

Announcements:

October 10, 2010, Study Session at 3:00 pm

October 12, 2010, Regular Board Meeting at 7:00 pm

October 21, 2010, Special Board Meeting at 3:00 pm – Executive Session to follow (Personnel)

Adjournment: Tom Ramsey moved, John Hanks seconded to adjourn the meeting at 8:25 pm

Submitted by:

Richard Hilfer, Secretary

Approved by:

Robin Scherting, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 14, 2010
7:00 PM

President Robin Scherting called the meeting to order at 7:00 PM.

Welcome & Comments – Robin Scherting, President

Welcome

Thank you to Leanne Ryan for serving as Chair at the October 12th Study Session

Special Budget Meeting – October 21, 3 PM in the Clubhouse

Executive Session immediately following the Board meeting for the purpose of discussing personnel issues and potential member rule violation.

In Attendance: Robin Scherting, Richard Hilfer, Leanne Ryan, Dick Poole, Mike Smith, John Hanks, Tom Ramsey

Action on Minutes: Leanne Ryan moved, John Hanks seconded to approve the minutes of the Regular Board Meeting of September 16, 2010. Passed 6/0

Membership Report: Richard Hilfer

Mike Heckinger & Kris Easterday
William “Mike” Rogers

171 Sunset Blvd.
531 Dennis Blvd

Treasurer’s Report: Tom Ramsey

As of September 30, 2010, the Checking Account total was \$81,934.18. There are a total of 6 CD Accounts totaling \$405,414.64, and 1 Money Market Account totaling \$70,055.13, and 2 Petty Cash Funds totaling \$600 for a total of \$558,003.95 in cash and investments. We have 2 CD’s maturing in November. I will have to cash one of those to cover an approximate \$34,000 shortfall in cash flow by year-end. The reason for the cash flow shortfall can be attributed to monies flowing out of Marina and General Operations reserve accounts.

Accounts Receivables, As of September 30th, 2010, Accounts Receivable totaled \$18,415. This is a higher-than usual number due to recent tri-annual assessments. There are 2 accounts over 60-days past due and 19 accounts over 90 days past-due. Two of these accounts, totaling almost \$2400, probably will be uncollectible.

Summary of Expense & Income Statement Review, As of September 30th, 2010: General Operations is \$15,514 is under budget; Water Operations is \$22,701 under budget; and the Marina is \$3,120 over budget.

Manager’s Report: Art Burke

Over the past two years we have received the occasional report of people experiencing a small electrical shock or tingling sensation at one of the handrails in the main pool. Repeated attempts have been made to isolate the problem with our electrical contractor, Puget Sound Energy and various members with a professional electrical background. All previous attempts to recreate the electrical charge and measure it were unsuccessful. During a recent repair project taking place at the Marina, the electrician discovered a source for a part of the problem and after further investigation isolated some additional problems. We are going to be moving forward with repairs as soon as possible. Although the risk is small, after gathering input from our electrical contractor, trustees and members of the community, it was felt that it would be better to exercise caution and close the pool. The work that will be taking place to correct the problem will address safety issues related to the clubhouse, fitness room and pool. During the pool closure we will be taking care of a number of maintenance projects.

I received a letter from a member in the Village regarding a problem that she is experiencing at her residence with rats. After spending some time researching the issue, it is apparent that rat populations throughout Jefferson County are high. As the weather continues to become colder, many forms of wildlife will be looking for food and shelter. Check the November newsletter for steps that you can take to reduce the chances that unwanted wildlife will find an easy meal or place to live.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 14, 2010
7:00 PM

I have received the following complaints/reports over the past month:

Lot not being mowed on S. Palmer Dr.

Raccoons and other animals living under trailer on Pine Dr.

Large numbers of rats being seen and moving into dwellings.

English ivy spreading from neighboring property on Colman Dr.

Report of air being let out of tires of vehicle on S. Rhododendron Dr.

Tree branches from neighboring property extending over house on S. Palmer Dr.

Report concerning cracks in the asphalt on Coleman Dr. hill.

View obstruction on S. Palmer Dr.

Nuisance dog barking at residence on S. Rhododendron Dr.

Report of someone riding a dirt bike on the ravine trail in the afternoon.

On October 2nd I attended the Community Association Day in Bellevue presented by the Washington State Community Association Institute. This was a great opportunity to spend some time with others in the field and speak with vendors who provide services to home owner associations. Some of the educational sessions that I attended were on the subject of reserve studies, procuring professional services and conflict resolution.

Donnie conducted a flush of the water system on October 7th. Our Water Manager has provided us with a portable meter that fits the majority of our fittings allowing us to accurately measure the amount of water flushed from the line. This information will be added to our tracking of water use.

Committee Reports: Finance: Finance Committee met on several times in September and early October to work on the 2011 budget. Comments on early versions were provided to the manager. As of October 11th we believe the Finance Committee meeting to review the budget and to make a recommendation to the Board will be scheduled for around October 18th, well in time for the October 21st Special Board Meeting. In addition the Chair has reconstructed and updated the Reserve Schedules based on the original 2004 models. These will be used as the basis for the 2010 review of the adequacy of reserves as part of the 2011 Budget process. **Water:** The meeting was held at 5 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water System Manager; Mike Smith, Board Liaison; Larry Southwick, Chair; Ed Skowyra and Thad Bickling. No new information regarding the DOH and status of our Water System Plan and none is expected until around Thanksgiving. Art and Greg have gotten an estimate of \$45,000, which includes a new pump, from Gresham for drilling a new Well 5 next year. Adding about \$5,000 for electrical and related work to bring it online sets the 2011 budget item at \$50,000 (Art's figures are more complete). Greg and Ed have determined locations for the valve replacement project we discussed last meeting as a means of getting the AC pipe samples for testing. They have located 4 new sites and a 5th where a valve already exists. There may be additional locations around old abandoned Tank 2 in the Village. Art said that we may do the project late this year due to budget considerations. Greg is getting bids from contractors. Greg is also working with Donnie to locate and mark valves. Some type of markers that would be visible above light snow would be appropriate. Another item for next year budget is a new well meter that we discussed at the last meeting. We also need to verify the budget amount, currently \$6,000, for testing of the AC pipe samples. Art said the Finance Committee is recommending a \$30 increase in water assessments for 2011, raising the annual amount from \$330 to \$360. Operations are going well and the latest figure for 'accounted for' water is 97% as compared to the industry standard of 90% or better. It's also time for another flushing of the water pipes which needs to be recorded and estimated for the 'accounted for' figures. Greg will write an article for the newsletter to remind snow birds to shut off their water and recommend they drain their systems to avoid freezing and broken water pipes. The next meeting will be on November 2, 2010 at 5 pm at the Office.

New Business Information Items:

None

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 14, 2010
7:00 PM

New Business Action Items:

Motion 1: Leanne Ryan moved, Richard Hilfer seconded to request that the Social Committee work with Gordon Yancey on logistics and potential for possible fund raising event. Passed 4/2

Motion 2: Dick Poole moved, Leanne Ryan seconded to approve Joel Finlay as Building Committee Chair, replacing Don Lee. Passed 6/0

Motion 3: Leanne Ryan moved, John Hanks seconded to approve the proposal from Double D Electrical to make repairs to the electrical panels and service at the Clubhouse and Pool Building not to exceed \$17,298.00. Passed 5/1

Motion 4: Richard Hilfer moved, Mike Smith seconded to ratify the Manager's approval of a member wishing to conduct classes in the Clubhouse for a fee. Passed 5/1, as amended

Amendment to Motion 4: Richard Hilfer moved, Mike Smith seconded that Motion 4 include the name of the member referenced (Dahti Blanchard). Passed 6/0

Motion 5: Mike Smith moved, Dick Poole seconded to approve the resolution to transfer \$10,632.00 from Marina Reserves to the General Investment Account for a Marina conceptual design to be done by Layton & Sell Engineering. Passed 6/0

Motion 6: Mike Smith moved, John Hanks seconded to approve the resolution to transfer \$3,407.60 from Marina Reserves to the General Investment Account for a Marina float replacements purchased from Kadco, USA. Passed 6/0

Motion 7: Mike Smith moved, Leanne Ryan seconded to approve the proposal from Bernt Erickson Excavating for the installation of three 4-inch valves and one 2-inch blow off to the community water system not to exceed \$10,189.60. Passed 6/0

Open Board Discussion:

There was discussion concerning the electrical work being done on the Community Center Bldg. Necessities and options were considered.

A member has offered to provide the electrical supplies needed for the project at a discount price saving the community a considerable amount of money.

Motion 8: Tom Ramsey moved, Mike Smith seconded to move into an executive session. Passed 6/0
Executive Session discussions are confidential

Motion 9: Richard Hilfer moved, Leanne Ryan seconded to resume the Regular Board Meeting. Passed 6/0
Upon return to the Regular Board Meeting and after discussion in Executive Session, it was the consensus of the Board that the following wage and salary increases be incorporated into the draft 2011 budget.
Art Burke = \$10,000, Don Weathersby = 4%, Jeannie Braga = 4%.

Announcements:

October 21, 2010, Special Board Meeting at 3:00 pm
November 9, 2010, Study Session at 3:00 pm
November 11, 2010, Regular Board Meeting at 7:00 pm

Adjournment: John Hanks moved, Mike Smith seconded to adjourn the meeting at 9:25 pm

Submitted by:

Approved by:

Richard Hilfer, Secretary

Robin Scherting, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 21 2010
3:00 PM

President Robin Scherting called the meeting to order at 3:00 PM.

Welcome & Overview of Meeting – Robin Scherting, President

In Attendance: Robin Scherting, Leanne Ryan, Dick Poole, Mike Smith, John Hanks, Tom Ramsey

Budget Presentations:

Discuss proposed 2011 Revenues, Exhibit A – Art Burke

Discuss proposed 2011 Expenses, Exhibit B – Art Burke

Discuss proposed 2011 Capital Budget/Replacement & Repairs, Exhibit C – Art Burke

Discuss end of year and projected reserve account balances – Jean Harrington

Discuss options for funding reserve account – Tom Ramsey

Review Finance Committee recommendations – Jean Harrington

New Business Action Items:

Motion 1: Tom Ramsey moved, Leanne Ryan seconded to include a \$100 per lot Special Assessment to be dedicated to the General Reserve Account on the November ballot vote. Passed 6/0

Motion 2: Michael Smith moved, Tom Ramsey seconded to approve as presented by the Manager recommendation for increases in assessment and fees for 2011. Passed 6/0

Motion 3: John Hanks moved, Dick Poole seconded to approve as presented by the Manager and Finance Committee recommendation for 2011 Capital Budget. Passed 6/0 as amended

Amendment to Motion 3: Dick Poole moved, Leanne Ryan seconded that the \$2,000 listed for the two fish cleaning tables and sinks be removed from the Capital Budget. Passed 6/0

Motion 4: Michael Smith moved, Tom Ramsey seconded to approve as presented by the Manager recommendation for the 2011 Operating Budget. Passed 6/0,

Motion 5: Leanne Ryan moved, Dick Poole seconded to submit the Board recommended budget to the Cape George Membership for their consideration in the November ballot vote. Passed 6/0

Adjournment: John Hanks moved, Michael Smith seconded to adjourn the Special Budget Board of Trustees Meeting at 4:52 pm. Passed 6/0

Submitted by:

Approved by:

Richard Hilfer, Secretary

Robin Scherting, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
NOVEMBER 11, 2010
7:00 PM

President Robin Scherting called the meeting to order at 7:00 PM.

Welcome & Comments – Robin Scherting, President

- Welcome
- Thank you to Art and Staff for Budget/Ballot preparation
- Thank you to all the members who contributed to “Cape George School Fund”
- Thank you to Joyce Skoien for her hard work on the Cape George 2011 Telephone Directory
- Respond to inquiries concerning 2011 Budget – The Board wants it to be known that they were very much in favor of the proposed staff raises.
- Many Thanks to all of our Veterans for their dedication and service to the U.S.A.

In Attendance: Robin Scherting, Richard Hilfer, Leanne Ryan, Dick Poole, Tom Ramsey

Action on Minutes: Richard Hilfer moved, Tom Ramsey seconded to approve the minutes of the Regular Board Meeting of October 14, 2010 with corrections. Passed 4/0. Richard Hilfer moved, Leanne Ryan seconded to approve the minutes of the Special Board Meeting of October 21, 2010. Passed 4/0

Membership Report: Richard Hilfer

Judith Caruso

41 Vancouver Drive

Melody Stone

61 Cedar Drive

Chuck & Dianne Tamblyn

111 N. Rhododendron Drive

Treasurer’s Report: Tom Ramsey

As of October 31, 2010, the Checking Account total was \$42,257.82. There are a total of 6 CD Accounts totaling \$405,538.12, 1 Money Market Account totaling \$40,063.63, and 2 Petty Cash accounts totaling \$600.00: Leaving a total of \$488,459.57 in cash and investments. **Accounts Receivable:** As of October 31, 2010, Accounts Receivable totaled \$7,920.90 down from \$18,415 last month. There are still a more-than usual amount of monies owed from the last tri-annual assessment. There are 14 members over 90-days past due. Two of these accounts have promised to pay this month, totaling \$894. Two accounts are being considered as uncollectible, totaling \$1,966. The remaining 10 accounts over 90-days past due total \$216, with continuing efforts being made to collect. There were no accounts in the over 60-days past due category, that would have possibly ended up in the over 90-days column next month. **Summary of Expense and Income Statement Review:** As of October 31, 2010: General Operations is \$19,700 under budget; Water Operations is \$23,841 under budget; and the Marina is \$4,083 over budget.

Manager’s Report: Art Burke

Clubhouse and pool electrical work is underway and nearing completion! – Donnie and Dean did all of the excavating for the new service lines and the contractor is underway with pulling wires and replacing panels. We are anticipating having the pool reopened during the week of November 15. While the pool was closed, Donnie and Dean undertook a couple of maintenance projects in the pool area including, repainting the deck and coping, repainting shower room floors, and repairing/repainting benches.

A lesser known part of the entire electrical project has to do with a thoughtful community member. When the first email went out identifying an electrical problem, I received a quick response saying that if we needed assistance with obtaining the electrical supplies, to just give him a call. This member works for one of the larger electrical supply companies in the region and after putting him in touch with our electrical contractor, they were able to work together very effectively. Not only was he able to provide the

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
NOVEMBER 11, 2010
7:00 PM

necessary supplies at a great value, he was also able to have the shipping expedited which moved the repair project along quickly. Thank you, Doug Lind!

At the October 21st Special Board Meeting, the Trustees unanimously approved the budget and supporting information, and directed me to submit a packet of documents to the membership for their review and vote. The preparation of the budget is a team effort and I am grateful for all of the assistance that I received over the last 2-3 months. Thanks to all of the Trustees and staff who guided me along the way. A special thank you to Finance Committee Chair Karen Krug, and members Georgette Semick, Jean Harrington, Don Thorne, and Barbara Barnhart. These folks provided great over site and input throughout the process. If you run into any of them, say thanks!

On November 2nd, one of our members assisted fire and rescue personnel in gaining access to the marina area to facilitate retrieving an elderly couple that had become stranded along a nearby beach. Thank you, Bob Skoien!

Thank you to the Environmental Committee for holding a Pancake Breakfast on November 6th. We had a great community turnout and approx. 89 people were served. Funds raised at this event will be directed toward the purchase of a new mower for Donnie in 2011. Way to go everyone!

Thanks also to the Election Committee for assembling the recent membership mailing that included the budget, ballot and informational documents. They are always great to have in the office because of their energy and enthusiasm. They include: Mercy and Bernie Del Valle, Kitty Rucker, Barbara Hill, Mikel Stull, Joyce Skoien and Jean Pennington.

I have received the following complaints/reports over the past month:

- Property not being maintained at a residence on Dennis Blvd.
- Trees forming hedge on Maple Dr.
- Gray water being discharged into a community ditch on Dennis Blvd.
- Unregistered vessel in marina.
- Vandalism of traffic signs in the Highlands near the intersection of Saddle Drive and Cape George Road.
- Dog running loose in vicinity of Marina and North Palmer Dr.
- Interior light from home on Maple Dr. shining outward into surrounding residences.
- Clubhouse restroom toilets needed cleaning.
- Clubhouse refrigerator had a bad odor.
- Construction vehicles parked in roadway on Vancouver Drive.

Committee Reports: Environmental: Members present: Phyllis Ballough, Amy Brandon, Ann Candioto, Gretchen Cooper, Dick Poole, Kitty Rucker, Robin Scherting, Manager, Art Burke and new members, Kyanne Andersen and Pat Hartman. Minutes: Approved Budget: No report. **OLD BUSINESS: Pancake Breakfast:** 89 breakfasts were served and after \$97 in expenses, we made \$590.50. Several people made donations and more will do so at the office. Two people made large donations. It always helps to have a project (Donnie's lawnmower) for the money. The funds will go into our Fundraising Account until the end of the year. Ann suggested having another pancake breakfast in the spring - maybe in late April - and a fall one about this time for next year. Gretchen suggested having a bake sale at one of them. Robin brought the leftover pancakes and sausage to The Boiler Room. **Volunteers:** Kitty thanked Pat Hartman for helping at Memorial Park. Barbara Glenn and Susan Nivert also helped Pat. Kyanne has weeded both terraces and cut blackberries out. She needs a list of plants for that area. Ann, Betty Kyanne will have a meeting and, hopefully, get them planted soon. Dick suggested

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
NOVEMBER 11, 2010
7:00 PM

Boston Ferns. There are still several areas open for volunteers. **Information/Education Programs:** Phyllis suggested something on Protection Island; it's been awhile since our last one on the island was in May 2006. Also one on water, glaciers, etc. Kitty mentioned Weather/Mountains – why it is so different here from the east side of the mountains, etc Gretchen will contact Carol McFarland, who's son is in the weather business. Pat suggested something on Shoreline Management. There is a lot of misinformation out there about the 150 ft easement. Ann will look into that. Hopefully, we will have the usual spring beach walk. Dick said that Bob Tilley did an underwater inspection of our buoy and took some great pictures and maybe this could be included with the beach walk. Barb will contact Bob. Betty and Ann suggested a plant identification walk. **Fundraiser:** Pat said that Barbara Glenn and Susan Nivert have a tape and program which is a parody/comedy (even has a composting song) which should be a fun evening. We could charge \$5.00 and provide dessert. We will tentatively hold it on Friday, Dec. 3rd at 7:00 p.m. Pat will check with Barbara & Susan for that date. The funds will go to the lawnmower. Kitty will put something in the Newsletter. **NEW BUSINESS: West side of Clubhouse:** Ann said that after the wall is finished, rocks need to be put in between the wall and the soil as was done on the front side of the building. This will be done next year when, hopefully, there will be funds for it. We will need to replace some of the plants that were taken out during the excavation as several plants were dug up. Ann and Betty will look into plants to replace the lost ones. Bill McFarland has spent many hours and much effort trying to keep the beach from eroding. He has placed logs and tied them but someone keeps cutting the ropes. Keeping the logs there helps the sand go over the logs and builds up the beach. He would like to chain the logs and rocks by the Marina. Art will contact DNR to be sure we are “legal” and let Ann know. Kitty will work with Art and Marina. Next meeting will be December 13th at 9:30 a.m. **Finance:** In addition to the meetings previously reported upon, the Finance Committee met on October 18, 2010 to finalize their review of the 2011 budget. Formal comments and recommendations from that meeting were sent to the Board and Manager in a memo dated October 20, 2010. It is noted that the recommendation to review employee Health Insurance is time sensitive since November usually marks the end of open enrollment for most health insurance products. As previously stated, the Finance Committee will be happy to work with the broker and manager on this review. The review of monthly financial statements is conducted via email. Committee members review the interim financial statements and related schedules to help ensure that errors, omissions and inconsistencies are identified and corrected in a timely and appropriate fashion. Communication of questions and comments is directed to the Manager with copies to the Treasurer, President and Clarity. Satisfactory answers were received with respect to September issues but there has not yet been sufficient time to receive responses to the Committee's October comments and questions. **Water:** The meeting was held at 5 pm at the Office. The following attended: Art Burke, Manager; Larry Southwick, Chair; Ed Skowyra and Stewart Pugh. This meeting was re-scheduled due to insufficient attendance at the regular Nov 2 meeting time. The primary purpose for the meeting was discussion about the valve replacement project with the objective of gathering pipe sections for testing to determine the condition and relative projected life expectancy of our system of asbestos cement (AC) pipe. We have a bid to install two zone valves and one blowoff in our 4” AC pipe and we need to work out the details before proceeding. Since last meeting, Larry communicated with the City of Bellevue water department engineer responsible for their AC pipe program including their experience relative to this kind of testing. (Larry worked for the Bellevue water department for many years) The Bellevue engineer emailed a copy of a test of six sections of pipe that were tested by the same firm in Portland that we are considering. Bellevue experiences half a dozen leaks/failures in their 4” AC pipe per year and have an on-going replacement program. The engineer placed little benefit in the testing because the pipe condition varies from good to bad in very localized patterns. A pipe may fail in one location and be perfectly fine and test well just a short distance away. They base their replacement program more on the basis of leak/failure location than testing. The benefit of the testing confirms that they in fact do have 4” AC pipe that doesn't meet standards in places. Of the six pipes in the test report, three did not meet specs, one barely met specs, one exceeded specs and one greatly exceeded specs. Ed also has had a lot of experience with AC pipe and sees no benefit for expensive testing (over \$3,000 per test) plus the serious, complicated requirements for

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
NOVEMBER 11, 2010
7:00 PM

preparing and shipping AC pipe samples for testing because it is 'hazardous material' and has to be transported by firms certified for handling such materials. You can't just send it by UPS or Fed Ex. We won't know much more by testing than we can by just closely inspecting the pipe ourselves and then burying it in the trench on site. Once you remove it from the ground, you have to conform to hazardous material requirements. Leaving it in the trench is the acceptable industry practice. We agreed to proceed by our own inspecting and documenting the pipe condition as the valves are installed. Art will schedule for the contractor and notify the Committee to look at the pipe and do whatever inspection and on-site testing we need during the installation then bury the pipe in the trench, avoiding any additional handling requirements. If we see questionable conditions of the pipe, we could still prepare the pipe samples for testing. Ed will also talk to Bob Leach, our water system consultant, to see what he has experienced with other local water systems that have AC pipe similar in age to our system. The purpose of the testing was to assist in preparing a long term replacement plan that can be used to develop a financial reserve plan. A reserve plan would include setting water rates to accumulate funds in a planned manner to pay for replacement of the pipe in advance of and when it becomes necessary. That approach results in existing users paying for the reduction in pipe life as they benefit from it (similar to funding depreciation). There are two alternatives to building reserves through water rates. Ed said that the Dept. of Health has a revolving fund that provides low interest loans to water systems like ours. That could be preferable to pre-funding reserves. There may be other funding programs for small, rural water system loans. The other alternative is assessments at some point in the future when the need occurs which might be 20 years more or less from now. That was the purpose of the testing to try to determine when that might become necessary. If the replacement becomes necessary, that approach could result in large assessments at that time in the future. We need to develop a plan and then have a good discussion with the Board and the community before proceeding with any of those options. Another approach would be to develop a replacement program based on installation of fire hydrants which requires 6" or 8" pipe that would replace the existing 4" pipes. It could be funded as we go with a reasonably sized contract every few years to install a block or two of pipe here and there in a planned manner. For example, Ed suggested, replace the pipe along the entry road to the Colony and install a couple fire hydrants with the last one at the corner of Palmer. Another route would be to replace the pipe in Huckleberry and loop it in to the Colony along with fire hydrants. Another would be a section in the Highlands or the Village. Contracts could be sized to be \$100,000 to \$200,000 or so every few years. \$10 per month per lot would produce \$79,800 per year or \$239,400 every three years. \$5 per month per lot would produce that amount in six years. We need to check with the fire district and the insurance rating agencies to determine if there would be a significant

benefit and reduction in fire insurance rates to partially offset the costs of installation of fire hydrants. Ed has additional information about the Supreme Court ruling on the water system planning process and says we can now proceed with the objective of completion of our full Water System Plan by the end of the first quarter 2011. Once done and approved, that plan should confirm our full 665 connections for build out. Most of the work will be done by Ed with help from Greg and Bob Leach, our consultant. A copy of the Dept. of Health web site explanation is attached below. One of the elements in our Water System Plan is the drilling of a new Well 5 which is included in the 2011 budget. Ed said we'll need a plan and specs for the new well and a permit from Dept. of Health so we could proceed with that work now. Art will look in the files for previous specs/plans and permits for wells with Ed's assistance as needed. **The next meeting will be on December 7, 2010 (Pearl Harbor) at 5 pm at the Office. Legal Challenges to Municipal Water Law** **NEW: Supreme Court Decides Fate of Municipal Water Law** (PDF) - Washington state Supreme Court decision of 10-28-10 affirms the constitutionality of the Municipal Water Law. The Court upheld all the sections of the MWL challenged in Lummi Indian Nation v. State, holding that they do not violate the separation of powers, and do not facially violate the right to due process. We have created this page to help water system owners understand how they will be affected by the court ruling. **Background:** The Washington State Legislature enacted the Municipal Water Law in 2003 to give municipal water suppliers more certainty and flexibility with their water rights. The law also required municipal suppliers to use water efficiently. Since then, the Departments of Health and Ecology have developed rules and

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
NOVEMBER 11, 2010
7:00 PM

guidance to implement the law. Several Indian tribes, environmental groups, and citizens, had sued the state, contending that several sections of the Municipal Water Law violate the U.S. and State Constitutions. On **June 11, 2008**, King County Superior Court Judge Jim Rogers struck down parts of the law. [Additional information is on the Department of Ecology's Web site.](#) One of the effects of the ruling invalidated the definitions of "municipal water supplier" and "municipal supply purposes." The ruling also affected a section of the law concerning water rights. On **October 28 2010**, the State Supreme Court issued a unanimous decision on the state's Municipal Water Law. The Court ruled in favor of the State of Washington. The Supreme Court ruling overturned the 2008 King County Superior Court decision that said three sections of the Municipal Water Law were invalid because they violated the state constitution's separation of powers. **What does this mean and what's next?** Here's what we know for now: In overturning the 2008 decision, the Court ruled that all of the challenged sections of the Municipal Water Law are valid. In particular, the Court upheld sections of the law that define "municipal water supply suppliers" as public and private water utilities that serve 15 or more residential connections. The court also affirmed that water right certificates based on water system infrastructure, rather than actual water usage, are "rights in good standing." This ruling protects the validity of numerous water right certificates held by water utilities serving homes and businesses throughout Washington. Under the lower court ruling, privately owned utilities were exempted from the benefits and obligations of the Municipal Water Law. The Supreme Court's ruling means these utilities now have more flexibility with their water rights, but they also will be required to do more with water conservation by complying with the state's water use efficiency requirements. Customers of these water systems are likely to be hearing more from their water utilities about water conservation. They may be asked to share in the cost of efficiency measures, such as installing customer service meters. **Guidance for water system.** Our goal is to offer clear guidance about what this ruling will mean to you. We will inform you about any policy decisions that may affect your water system. If you have questions about how your water rights might be affected by the ruling, contact your nearest [Department of Ecology regional office](#). For more information Planning: [Linda Kildahl](#), (360) 236-3186 (360) 236-3186 Water Use Efficiency: [Mike Dexel](#), (360) 236-3154 (360) 236-3154 Department of Health web site, 11-10-10

New Business Information Items:

None

New Business Action Items:

Motion 1: Tom Ramsey moved, Dick Poole seconded to approve the proposed 2011 Clubhouse blackout dates. Passed 4/0

Motion 2: Dick Poole moved, Richard Hilfer seconded to approve the Resolution providing support and direction to the Long-range planning process for the Marina. Passed 4/0

Motion 3: Leanne Ryan moved, Dick Poole seconded to approve the changes to MIS04 - Complaint Procedures – allowing the Manager flexibility in the timeline of investigation complaints. Passed 4/0

Motion 4: Richard Hilfer moved, Tom Ramsey seconded to disregard the votes concerning the changes to the Building Regulations due to a timing issue. Passed 4/0

Open Board Discussion:

There was discussion concerning the electrical work being done on the Community Center Bldg. Necessities and options were considered.

A member has offered to provide the electrical supplies needed for the project at a discount price saving the community a considerable amount of money.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
NOVEMBER 11, 2010
7:00 PM

Announcements:

December 14, 2010, Study Session at 3:00 pm
December 16, 2010, Regular Board Meeting at 7:00 pm

Adjournment: Dick Poole moved, Tom Ramsey seconded to adjourn the meeting at 8:15 pm

Submitted by:

Approved by:

Richard Hilfer, Secretary

Robin Scherting, President

CAPE GEORGE COLONY CLUB
SPECIAL MEMBERSHIP MEETING
DECEMBER 6, 2010

Call to order: Robin Scherting, President, called the Special Membership Meeting to order at 2:45 pm.

In Attendance: Approximately 18 Members were present.

Member Participation: One member had questions concerning the Reserve Study which was included in the 2011 Budget. Another member questioned the budgets for the Pool & the Marina. These were addressed by Tom Ramsey, Board Treasurer

Business: The purpose of the Special Meeting was to allow Members to vote in person or by proxy, as required by our By-Laws, for the issues appearing on the Ballot recently mailed to all Members, namely whether to approve (1) the proposed Budget for 2011; (2) the roll-over of excess funds from 2010 to reserve accounts; and (3) a Special Assessment of \$100 annually. The President announced that the polls would be open from 2:45 pm until 3:00 pm. Members wishing to vote were directed to a Member of the Elections committee to cast their votes. Seven Members voted in person. At 3:00 pm, the President closed the polls and accepted from Election Committee officials the official election tally sheets for each issue showing the total votes for each issue. The results were: (1) **2011 Budget:** Yes-192; No-104 for a total of 296 votes cast; (2) **Reserve Rollover:** Yes-257; No-40 for a total of 297 votes cast, (3) **Special Assessment:** Yes – 149; No – 150, for a total of 299 votes cast. The total Member votes were 317 persons, with eighteen votes disqualified for various reasons.

Announcements:

December 14, Study Session, 3:00
December 16, Board Meeting

Adjournment: The President adjourned the Special Meeting at 3:25 p.m.

Submitted by:

Approved by:

Richard Hilfer, Secretary

Robin Scherting, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
DECEMBER 16, 2010
7:00 PM

President Robin Scherting called the meeting to order at 7:00 PM.

Welcome & Comments – Robin Scherting, President

- Vacation time for Board members during winter months
 - Robin gone for January meetings
 - Tom Ramsey gone for January meetings
 - Dick Poole gone for January, February, March meetings
- Cape George Calendars are still available at the Cape George office
- Change in e-mail or phone # to office for inclusion in new telephone directory

In Attendance: Robin Scherting, Tom Ramsey, Richard Hilfer, Leanne Ryan, Dick Poole, John Hanks

Action on Minutes: Richard Hilfer moved, Tom Ramsey seconded to approve the minutes of the Regular Board Meeting of November 11 2010, Passed 5/0. Richard Hilfer moved, Leanne Ryan seconded to approve the minutes of the Special Membership Meeting of December 6, 2010, Passed 5/0.

Membership Report: Richard Hilfer

David & Michelle Payne

560 Sunset Blvd

Treasurer's Report: Tom Ramsey

As of November 30, 2010, the Checking Account total was \$26,755.03. There are a total of 5 CD Accounts totaling \$352,797.16, and 1 Money Market Account totaling \$92,878.34, and 2 Petty Cash Funds totaling \$600.00 for a total of \$473,030.53 in cash and investments. **Accounts Receivables,** As of November 30, 2010, Accounts Receivable totaled \$4,289.36. There are 16 members over 90-days past due. There were no accounts in the over 60-days past due category, that would have possibly ended up in the over 90-days column next month. **Summary of Expense and Income Statement Review:** As of November 30, 2010: General Operations is \$22,975 under budget; Water Operations is \$27,969 under budget; and the Marina is \$2,468 over budget.

Manager's Report: Art Burke

During the mini blizzard on November 22, the office received a request to look into the well being of one of our members on Sunset Blvd. Through the year we receive several of these type of "check-up" calls and are happy to do it. What would help us out considerably is for members to provide us with emergency contact info, cell phone numbers, etc. You can also feel free to let us know if you are going to be away for any length of time. The information will remain confidential. Or, if you would prefer, let a neighbor know when you are leaving town.

The electrical repairs have been completed at the Clubhouse and Pool building. A final inspection and walkthrough is scheduled with the contractor and staff. The project took longer than had been anticipated due to weather related scheduling challenges with Puget Sound Energy and their subcontractor PotEI Co.

A BIG Christmas Thank You to Mary Maltby for decorating the planter boxes at the office with beautiful fir boughs, pine cones and colorful ornaments. It really makes the building look inviting.

And another BIG Christmas Thank You to our great Social Committee members who did such a wonderful job of decorating the Clubhouse building and tree.

The Clubhouse HVAC compressor motor and control board burned out recently. Considering the system is 27 years old and has just about rusted out of its case, the community has gotten its moneys worth on

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
DECEMBER 16, 2010
7:00 PM

their investment. I have asked five heating contractors to provide bids for a replacement system. The Trustees will be considering the options during the December Board meeting.

The installation of three valves and one blow off to the community water system has been completed. During the installation, Water Committee members conducted some basic analysis of the condition of the concrete pipe at each location.

I have continued to work with the Ad Hoc Committee on property maintenance issues. Contacts have been made to some residents regarding levels of maintenance. Follow up letters and/or violation forms will be going out shortly based on whether compliance steps have been taken.

I have received the following reports/complaints over the past month:

- Numerous informal inquiries were recorded on November 22, 23, 24 and 25 about snow removal. Some were asking for roads to be plowed and others were thanking Donnie for doing such a good job of keeping up with the heavy snow fall.
- Received several reports of broken pipes as a result of the cold weather.
- Driver of truck operating aggressively in vicinity of bus stop on Cape George Drive.
- Debris in yard at residence on Saddle Drive.

Committee Reports: Environmental: This month our committee sponsored a successful fundraiser called "Laughs & Dessert". It was well attended and the proceeds, \$521.00, will be added to those from last month's Pancake Breakfast (over \$600.00) and donated toward the purchase of a good quality commercial lawnmower for our maintenance staff. Our committee is concerned about erosion of the Clubhouse beach area. We are talking with Bill McFarland, who has single handedly been researching and dealing with this problem for several years. We plan to research information from DNR and the input of members to come up with a plan for Board approval. We are planning an educational and entertaining evening on February 12 for a presentation on our Cape George weather. Several committee members are meeting to decide on plants to replace those removed for the electrical work that was done at the Clubhouse. The same members are also considering low-maintenance options for Memorial Park. The committee will pay for new plants out of our own fundraising. **Finance:** The Finance Committee met on Monday, December 13, 2010 at 9:30am in the Cape George Office Conference Room. The meeting was publicized via the Club's email notification system. Committee members, the Club's Manager and President were the only attendees. The discussions as they relate to the meeting's agenda are summarized as follows: **Review of final updates to 2010 Reserve schedule** for formal submission to the Board and subsequent inclusion as supplemental information to the 2010 audit. All three existing reserve schedules were reviewed. There were a number of requested changes, additions and clarifications. These will be made prior to 12/20/2010 and submitted to the Board for review and finalization prior to inclusion as supplemental audit information. A comprehensive update was not completed by the Committee in 2010 since there is to be a comprehensive Reserve Study completed by an outside expert in 2011. **Discussion of possible change to Reserve criteria.** Using the document prepared by the Manager (Reserve Study Discussion Points – 2010-11-27.doc) the Committee discussed the pros and cons of modifying the existing Reserve Criteria prior to the outside Reserve review. Comments from one member were received in writing and distributed to the attendees. After considerable discussion, the Finance Committee formally recommends to the Board that: No change be made to the existing reserve criteria until after a consultant has been selected and dialogue ensues with said consultant: There needs to be a dialogue with all perspective consultants, with confirmation in

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
DECEMBER 16, 2010
7:00 PM

writing, of the scope of service and the review parameters; After hearing the selected consultants' recommendations regarding criteria, the matter is to be brought back to the Finance Committee for review and recommendation to the Board. The project is to establish an internal depreciation schedule. Currently the Club does not have, or maintain, its own depreciation schedule, but relies instead on one prepared by the external financial auditor. It is recommended that the Club, with assistance from the Finance Committee, construct an internal depreciation schedule and develop capitalization procedures for its maintenance and reconciliation. There was general discussion surrounding the issue. While the Committee has no strong feelings on the matter, the Committee Chairman does, and there is no opposition to completing the task. Review of November financial statements and closure of unanswered questions from October financial items. Copies of the eleven month trended Revenue and Expense and Balance Sheet were distributed along with a scheduling proofing the Reserve Balances. A remaining reserve reconciliation issue was discussed that, except for minor interest allocation adjustments satisfies the Committee as to the appropriateness of the Reserve balances through 11/30/2010. A final adjustment of \$28,360 is to be made to increase the General Operations Reserve balance and decrease the General Operations investment account. To prevent further confusion, and to eliminate the potential for multiple versions of the financial statements being issued, it was recommended that the adjustment be made in December. The issue was fully disclosed and documented for the Treasurer in a memo dated 12/13/2010, with copies to the Finance Committee and Manager. Copies of all communication surrounding questions on the October financial statements were distributed. Committee members present felt the issues had been addressed formally or via changes evident in the November statements. It was noted that the October Reserve Transfer resolution had not been completed prior to the October close. In addition, a clarification of a comment related to Marina A/R was requested. Discussion of November financials noted: Issue 4(a)i outlined above; A reconciliation schedule was requested to verify the Unearned Income accounts; Reconfirmation of uncollectible accounts – current year and all prior year amounts – prior to making the adjustment to the Allowance for Doubtful Accounts/Bad Debt Expense accounts' It was noted that the current capital expenditures for the Water System might lead to Washington state tax credits which might impact the December filing and that any carry-forward should be noted for the 2012 budget; It was noted that one bank (Ally) had a one-year CD rates of slightly over 1%. A subsequent check on Bank Rate.com on 12/13/2010 reveal that most local institutions were offering 6 month CD rates of around 0.25%. The Golf (Sterling Savings) CD was renewed for less 4 months at 0.45%; After earlier difficulties with the Prepaid Insurance Account, it was verified that the current balance and decrements are designed to produce a -\$0- (zero) balance in the account by June 30, 2011; Clarification was provided by Clarity in the November Notes that the change to a monthly tax reporter was due to the size of the tax liability and Washington Department of Revenue requirements; An issue was raised, but not discussed, regarding the current very favorable performance in the General Operations given the earlier high level of concern with the potential for year-end deficits. Specifically of concern were whether or not bills were being paid and if maintenance or other expenses were being inappropriately delayed. These issues will be sent to the Manager for formal comment. **Information Items** There was a brief discussion of the Chairs request, from Marina Ad Hoc Committee for an L&S estimate of the capitalizable component of Marina Engineering Study. A memo documenting the request was distributed. The 2010 Water System capital expenditures and their completion during the current fiscal year were discussed briefly. Also discussed briefly was the replacement of the Clubhouse HVAC system. The Finance Committee and its Charter, despite not being on the published agenda, were discussed at some length. The Board President, who was in attendance, will be considering an additional Board educational session that might coincide with audit activities. If scheduled, it would not occur until February or March. The Manager thought that a monthly newsletter article, authored by the Finance Committee, and explaining the Committees activities should

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
DECEMBER 16, 2010
7:00 PM

be written. Suggestion will not be considered. At least one member of the Finance Committee took issue with publishing the Committee's meeting notice and agenda via the email distribution system. More consideration will be given to standing monthly meetings. The Manager had earlier communicated a suggestion that future meetings be held at the Clubhouse for safety reasons. The venue will likely be changed for future meetings. The meeting concluded at approximately 12:15pm. **Water:** The meeting was held at 5 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water System Manager; Larry Southwick, Chair; Brian Ritchie, Ed Skowyra and Stewart Pugh. Discussion regarding water reserve funds relative to the failure of the general assessment ballot for funding reserves for the other Club facilities. Water reserve funds have been adequate to pay for recent and upcoming repairs and replacement including the replacement of Well 5 next year. The Water System Plan (WSP) addresses the need for reserves and the anticipated replacement of system components. For example, the filter media will need to be replaced in several years. We are not yet in a position or desire to fund water pipe replacement out of reserves, that's a long term capital funds issue that will be addressed in the update of the WSP. Ed will start on the update of the WSP after the first of the year. Greg will provide additional information regarding the new requirements for a water efficiency program. A key element of the water pipe replacement is whether or not we should add fire hydrants when the pipe is replaced. We need input from the fire district on that issue. Art will contact the fire district. They use tanker trucks to supply their basic water needs and we have several locations where they can fill tankers so it's a legitimate question as to whether additional hydrants would be beneficial. They are also using foam for fire fighting which further reduces the need for hydrants. We also need to get information regarding the effect, if any, on home owners insurance. It's anticipated that insurance rates would not be reduced significantly. We could replace pipe and add fire hydrants in a few key areas if that would be beneficial. Again, that issue needs to be addressed in the WSP. Then we will need a good community discussion about the issues related to fire hydrants before a decision is made. We expect the contractor to begin the valve replacement project in the near future, maybe yet this week or next. Art will notify the Committee when and where so we can observe and conduct field tests of the AC pipe and then leave it in the trench. Ed drafted specs for the Well 5 replacement and Larry did some editing. Discussion about adding a paragraph for the bidder to add a work schedule to their bid. Greg will provide Art with the names of at least 3 well drillers to send the request for bids. We had a few water services frozen during the cold spell but no major problems. **The next meeting will be on January 4, 2011 at 5 pm at the Office.**

New Business Information Items:

- Budget Vote Results
- John Hanks will continue to work with Art Burke with changes to the Election process and bring them back to the January meeting for review and inclusion in the newsletter
- Art Burke and Richard Hilfer will continue investigation of how the organization can pursue Covenant revisions
- Art Burke will bring a draft of guidelines to January meeting for a new section in newsletter allowing for member comment
- Art Burke reviewed the "hedge criteria" currently being used

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
DECEMBER 16, 2010
7:00 PM

New Business Action Items:

Motion 1: Leanne Ryan moved, Dick Poole seconded to no longer allow national organizations to use our newsletter or mass e-mail for advertising their fund raising events. During the Board discussion, Tom Ramsey stated that he believes we should continue to allow the UGN to advertise. Passed 4/1

Motion 2: Dick Poole moved, John Hanks seconded to approve Marina View Place repairs in 2011 not to exceed \$2,500. Work is to be added to the reserve project list for 2011. Passed 5/0

Motion 3: John Hanks moved, Dick Poole seconded to amend PP02 "Maintenance of Property" rule to extend the deadline for the final mow from July 4th to the second week in August for better control of weed seeds and to also improve lots appearance for a longer period of time. Passed 5/0

Motion 4: Tom Ramsey moved, Leanne Ryan seconded to approve final payment to Double D Electric for work on the Pool & Clubhouse in the amount of \$9,111.39. Passed 5/0

Motion 5: Tom Ramsey moved, John Hanks seconded to approve the resolution to transfer \$16,635.39 from General Reserves to the General Investments Account for payment to Double D Electric for electrical repairs to the Pool & Clubhouse. Passed 5/0

Motion 6: Tom Ramsey moved, Leanne Ryan seconded to approve the payment, not to exceed \$7,476, to Peninsula Heating for the replacement and installation of a heat pump for the Clubhouse. This figure includes 8.4% sales tax. Passed 5/0

Open Board Discussion:

Announcements:

January 11, 2011, Study Session at 3:00 pm

January 13, 2011, Regular Board Meeting at 7:00 pm

Adjournment: Richard Hilfer moved, Dick Poole seconded to adjourn to Executive Session at 7:40 pm to discuss topics concerning personnel. Passed 5/0

Executive discussions are confidential.

Tom Ramsey moved, Dick Poole seconded to adjourn the Executive Session at 8:25 pm and resume the Regular Board Meeting. Passed 4/0

Adjournment: Dick Poole, John Hanks seconded to adjourn the Regular Board meeting at 8:30 pm. Passed 5/0

Submitted by:

Richard Hilfer, Secretary

Approved by:

Leanne Ryan, Vice President