

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
January 14, 2016  
7:00 PM

**President Richard Hilfer called the meeting to order at 7:02 p.m.**

**Welcome**

**In Attendance:** Karen Krug, Carol Wood, Richard Hilfer, Katie Habegger, Michael Hinojos and Ray Pierson

**Action on Minutes:** Katie Habegger moved and Karen Krug seconded to approve the minutes of the Regular Board Meeting December 10, 2015 and Emergency Board Meeting January 6, 2016. – passed 5/0

**Membership Report:** Katie Habegger

Kathleen and Richard Keenan purchased 100 Johnson Ave from Cliff and Janet Self  
Margaret & Joseph Kaczyk purchased 261 Quinault Lp from Rudy and Pam Theobald (Dec 18<sup>th</sup>)  
Diane Morrison purchased 111 Alder Dr from HUD (Dec 10<sup>th</sup>)

**Treasurers Report:** Karen Krug

**TREASURER'S REPORT  
As of December 31, 2015**

As is typical, financial statements for December are not prepared on the same schedule as statements for the other months of the fiscal year. This is due to efforts to capture all the accounting transactions that impacted 2015, some of which are not available until late in January. December's pre-audit financial statements are generally available during the February meeting cycle. Audited financial statements are usually available in March or April.

On a preliminary basis, operations in all three cost centers show "bottom lines" that are better than the budgeted values. While these values could change during audit, they are not expected to vary materially.

The balance sheet, again pre-audit, is strong. Cash and cash equivalents are about \$250,000 higher than this time last year, primarily as a result of the new routine reserve assessment. The account at Peninsula Credit Union was about \$25,000 over the FDIC limit on 12/31/15. A cash correction transfer did not get made, most likely due to staff's focus on other projects. The excess itself is not of concern but it will most probably result in an adverse auditor's comment regarding internal control.

Receivables are noticeably lower due largely to the repayment of the loan between the General Reserve and the South Seawall special assessment. This loan payback is also responsible for a portion of the reduction in general liabilities from this time last year.

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Changes in this year's fixed assets include the addition of the pool septic system and the removal of a 1985 used tractor that was actually disposed of sometime prior to 2010. It should have been removed when it was originally disposed but since it has been fully depreciated since 1990, its late removal possess no accounting issues. The CIP, or projects in progress, account at year end includes both the berm and marina floats. These projects will stay in CIP until fully complete, most likely sometime during 2016.

As explained above, there are no summarized financial statements included in December's report. Instead a summary of the transactions impacting the standing reserves, General, Water and Marine, the special assessments, South Seawall and Berm, and the new routine reserve assessment, is attached. As with the financial statements, the values shown are subject to change on audit.

**CAPE GEORGE COLONY  
 CLUB**  
**Reserve Cash Recap through  
 12/31/15**

Values subject to change during audit

RESERVES	General	Water	Marina
Audited Reserve Balance - 12/31/2014	\$ 95,099	\$ 284,275	\$ 25,624
2014 Final Excess cash transfer (4/22/15)	1,470	3,100	(1,089)
2015 Minimum budgeted excess cash transfer (11/23/15)	24,256	48,100	10,550
2015 S. Seawall loan recoupments	47,628	0	0
2015 Bad debt recoveries	1,439	654	0
2015 Interest income & other minor income	269	330	27
<b>2015 Project Draws (Note 1):</b>			
<b>Club House and Office painting</b>	<b>(11,990)</b>	<b>0</b>	<b>0</b>
<b>Initial pool septic expenses (Note 2)</b>	<b>(2,205)</b>	<b>0</b>	<b>0</b>
<b>Dock floats (Note 3)</b>	<b>0</b>	<b>0</b>	<b>(10,375)</b>
Allocated transfer from Routine Reserve (11/23/15) General=49.6%; Water=38.6%; Marina=14.5%	55,380	45,578	17,122
<b>Unaudited Balance - 12/31/2015</b>	<b>\$ 211,346</b>	<b>\$ 382,037</b>	<b>\$ 41,859</b>

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SPECIAL & ROUTINE ASSESSMENTS	Routine Reserve	South Seawall	Berm
Audited Balance - 12/31/2014	\$ -	\$ 8,880	\$ 49,141
2015 Cash collection per deposit records (12/31/15)	117,242	40,256	312
2015 Interest income	57	0	0
2015 Bad debt recoveries	108	90	48
Short term borrowing from operations checking for transfer	673	0	0
2015 Project Draws:			
Repayment of loan & interest to General Reserve	0	(47,761)	0
Berm expenditure	0	0	(43,628)
2015 Allocated transfers to standing reserves(11/23/15)	(118,080)	0	0
<b>Balance before 2016 prepayment collections</b>	<b>\$ -</b>	<b>\$ 1,465</b>	<b>\$ 5,873</b>
Prepayments of 2016 assessment	21,199		
Unexplained variance (Note 4)	(357)	0	0
<b>Unaudited Balance - 12/31/2015</b>	<b>20,842</b>	<b>1,465</b>	<b>5,873</b>

**NOTES:**

1. Project draws represent actual cash draws during the year and should not be confused with total project costs which can span multiple years. Detailed information on the reserve draws/expenditures are included in the monthly financial statements.
2. As of 12/31/15 there is an additional invoice for \$11,167 related to the pool septic project. Although the expenditure has been reviewed by the Board, the actual transfer has not yet been approved and will occur in January 2016.
3. No dock floats were acquired in 2014 and 84 were acquired in 2015. Only 7 pair were installed in 2015 and the remaining floats are in storage.
4. The unexplained variance is not material and is likely a combination of misapplied collections from 2014 prepayments coupled with bad debts. The total routine reserve assessment charge for 2015 was \$119,160 (\$180 per 662 equivalent lots). As of 12/31/15, there remained net receivables of \$252. During the year there were accounts sent to non-recourse collection and recoveries on some of those accounts.

**Manager's Report:** Art Burke

January 14, 2016

It was determined that the pump and motor from Well #4 is no longer serviceable and needed to be replaced as soon as possible. The use of this well is a critical part of the water system operation and its return to service constitutes an emergency. An Emergency Board meeting was called on January 6<sup>th</sup> to address the issue and the Trustees approved an expenditure of not to exceed \$20,000 for its return to

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service with funding to come from Water Reserves. In addition the well will receive an acid treatment to descale the interior of the well casing and also be bailed prior to installation of the new pump and motor to remove any debris that may be present inside the well casing. It is anticipated that the installation will be completed by Tuesday, January 19<sup>th</sup> and a series of water quality tests will be conducted prior to returning the well to service.

I've recently completed a series of site visits with Roads Committee Chair, Larry Southwick. The purpose of the field trip included:

- Colman Place – review completed drainage improvement project.
- Victoria Loop – discuss potential drainage issue.
- Cresthaven Building Project – review driveway culvert question.
- Sunset Boulevard – review drainage repair project.
- Workshop – discuss planning underway to correct surface drainage issues.

Projects being worked on by the Office Administrator:

- End of year water overage invoicing. There are a total of 27 accounts that used in excess of 91,250 gallons over the course of the year.
- Assist Water Committee with final cross connection device test tracking.
- Working with Harbormaster on 2016 Marina registration.

Projects being worked on by the Caretaker:

- Sunset Blvd. drainage project rehab underway.
- Assisting contractor with Well #4 pump replacement project.

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

- Light complaint in the Village and Colony.
- Report of a dog being brought into the pool and left on the deck.
- Complaint of dog barking in the Village.
- Property maintenance complaint in the Village.
- Complaint of aggressive dogs off owner's property in the Highlands.
- Report of earthworks project in the Colony involving a septic system being installed on common property.

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**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Water, Environmental, Pool and Marina

The reports are attached to these minutes and incorporated by reference.

**Information Items:**

- A. The Trustees received an update from the Ad Hoc Conflict Resolution Committee co-chair Judith Chambliss – attached for the record.
- B. The Trustees directed the Manager to publish the proposed changes to Cape George rule CP03 Marina Usage in the February newsletter and request member comment be brought to the February Study Session.
- C. The Manager provided an update concerning replacement of the pump and motor for Well #4 – see Manager's Report for details.
- D. The Trustees directed the Manager to publish the recommended modifications to Cape George rule FIN02 Policy and Procedures on Annual Budget in the February newsletter and request member comment be brought to the February Study Session.
- E. The Trustees directed the Manager to publish the recommended modifications to Cape George rule FIN04 Reserve Funds in the February newsletter and request member comment be brought to the February Study Session.
- F. President Richard Hilfer and the Manager have developed a list of law firms that specialize in providing service to homeowner associations and will be developing a request for proposal letter to assist with selection of a new attorney for the corporation.

**Member participation:** None

**New Business Action Items:**

**Motion 1:** Motion is deferred to February's meeting.

**Motion 2:** Michael Hinojos moved and Carol Wood seconded to approve the expenditure of not to exceed \$8,200 for the replacement of the office carpet with funds to come from General Reserves. Passed – 5/0

**Motion 3:** To satisfy a requirement of FIN08 – Critical Accounting Policy and based upon a memo dated 01/10/16 from K. Krug, Karen Krug moved and Katie Habegger seconded that the one addition and one deletion to the Cape George fixed asset depreciation schedule be ratified. Passed – 5/0

**Motion 4:** To satisfy a requirement of FIN08 – Critical Accounting Policy and based upon a memo dated 01/10/16 from K. Krug, Karen Krug moved and Carol Wood seconded that the three expenditures listed on the Reserve Recap statement be ratified. Passed – 5/0

**Motion 5:** Katie Habegger moved and Ray Pierson seconded to approve seven member requests for nine due date adjustments. Passed – 5/0

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**Motion 6:** Carol Wood moved and Michael Hinojos seconded to approve payment of invoice from Shold Excavating in the amount of \$11,167.32 for modification to the pool septic system. Passed – 5/0

**Open Board Discussion:**

Several Board members expressed concern about the participation level of the Marina chair. Rich Hilfer will follow up with the Harbormaster Penny Jensen for possible solutions.

It was requested a line be added to the due date adjustment letter stating the new \$5 administration fee which was recently approved.

**Announcements:**

- A. Study Session – February 9, 2016 3:00 P.M.
- B. Board Meeting – February 11, 2016 7:00 P.M.

**Adjournment:** Carol Wood moved and Ray Pierson seconded to adjourn the regular session at 7:40 pm. Passed – 5/0

**Submitted by:**

**Approved by:**

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Katie Habegger, Secretary

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Richard Hilfer, President

January 14, 2016

To: Trustees

From: Art Burke

Re: Sunset Blvd. Drainage Problem Timeline

- October 15, 2015 Met with Joan Ballough onsite to view wet area at northwest corner of her property.
- October 16, 2015 Met with Joan Ballough and Donnie Weathersby onsite to further review catch basin, culvert and wet area.
- October 19, 2015 Donnie Weathersby and Mac McDonald run a drain pipe camera down slope through the 12 inch steel corrugated pipe from the catch basin just west of Sunset Blvd. At the time it was unclear as to whether the 6 inch plastic pipe located at the NW corner of Ballough's property was tied into the steel pipe in some way.
- October 20, 2015 Met with Everett Sorensen from Streamline Environmental and discussed drainage concern at the Sunset Blvd location. Sorensen conducts a site visit later that day and provides some input and recommendations of engineering firms that were familiar with the area and could provide detailed analysis.
- November 6, 2015 Received letter addressed to Manager and Board from Joan Ballough and Phyllis Ballough expressing concerns over the drainage – see attached.
- November 10, 2015 Board reviews letter and directs Manager to contract with a geological engineering firm to conduct a survey and prepare recommendation.
- November 16, 2015 Stratum Group is contracted to provide hazard analysis and recommendations for Sunset Blvd. drain.
- December 18, 2015 Stratum Group completes report.
- January 4 and 5, 2016 Report recommended winter work is started and near completion.

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**Committee reports:**

**CAPE GEORGE WATER ADVISORY COMMITTEE MEETING REPORT, JANUARY 5, 2016**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Karen Krug, Board Liaison; Greg Rae, Water Manager; Larry Southwick, Committee Chair; and members Scott James, Stewart Pugh and Thad Bickling.

1. Highland Booster Pump Controller – few communications between Art, Stew and DD in December; they couldn't get the work scheduled and we still don't have a date for the work. That's because it hinges on one person at DD and his schedule. Operationally, there's no urgency but financially we wanted to get it done in 2015 which didn't happen. Art to push DD for a specific date to get it done. (On Wednesday, Art got a firm date of January 20-21.)
2. Backflow / Cross Connection – we still have 3 residences where the tests haven't been done and 2 where the tests failed, need correction and retesting. Art will contact each one and push for a final completion with the threat of potential water shutoff if they don't comply. (As of January 6, 2 of the 5 have completed testing, 1 irrigation system will be disconnected, 1 will be replaced on January 12 and Greg is working with the last one.)
3. Water rights – nothing new to report. Art will ask Bill Clarke, our attorney, to contact DOE to see if we can get an update and to keep the pressure on to get it done.
4. Well #4 – the pump failed, was pulled and taken to a repair shop. It was tested and is not feasible to repair so we'll need to replace it. It was installed in 2004. This pump is critical to the backwash cycle of the water filters in order to get adequate water flow to flush out the filters. We first thought it could wait for the next regular Board meeting but decided that we should call for an emergency meeting of the Board to approve the purchase using reserve funds. (which was done on Wednesday, January 6.) Greg said that they will treat the well itself before installing a new pump.
5. Stew reported that there were 17 leaks on the water meter reading cycle, 2 of which are for Club connections and 1 is significant that Donnie is working with the owner to resolve.
6. We received a form letter from DOE (every 5 years) where they ask for our current build-out status and need to request an extension for their approval. Art will make that request.
7. Art reported that they have replaced the last old electrical panel at the water facilities.
8. Art reported that an owner left a phone message that she will not pay the water fees in addition to the basic assessment. She has been a repeat offender, had damaged her water meter and is quite aggressive and belligerent when dealing with staff.
9. Greg reported that our water use report for 2015 shows that we've accounted for 92% where 90% is the minimum standard. That is determined by comparing meter records for water sold versus source meters for water pumped from the wells.

The next meeting will be on **February 2, 2016 at 5 pm at the Office.**

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**ENVIRONMENTAL COMMITTEE MINUTES CAPE GEORGE CLUBHOUSE - Monday Dec 14, 2015**

**IN ATTENDANCE:** Art Burke, Dennis Fellner, Katie Habegger, Kitty Rucker, Robin Scherting, Steve Shapiro

**CALL TO ORDER:** The Meeting was called to order by Kitty with November minutes approved unanimously.

**FISCAL REPORT:** Total - \$2,889.97 after expenses were paid for the plants for the berm and the gift certificate for the line dance teacher. *(These are not funds that belong to Cape George Colony Club, Inc.)*

**OLD BUSINESS:**

**A. Beach/Berm Report –**

1. Art reported that the berm was completed and appears to be handling the high tide well. We have a **King Tide** coming on December 25-26 and again in January. That will test the berm. We have money left from the special assessment after all bills are paid. That can be used for any other **berm** expenses that might come up.
2. Kitty reported that she was really proud of our committee's work on the berm. We introduced the idea of building the berm 3 years ago. We asked the Board to present a special assessment to build it, and we had 3 dinners to raise money for the project.
3. Kitty also asked the committee to thank Art for his diligent work on this project. He followed it through from design to finish. Even with all of the delays from the county.

**B. Berm Planting Event** - Ten members of the Environmental Committee went down to the berm and planted native plants and grass on Dec. 4. They appear to be growing well.

**C. Septic Report for Pool** - Art said that we are running into problems with the buried pipe and tank at the pool area. It was not buried properly when originally installed and this is causing lots of problems now. It could cost a lot more if the tank has to be moved. So far it has cost \$9000.

**D. Movie on Bears –** We had to cancel our film night in November because of a storm that closed the bridge and the Smiths couldn't get home. We are planning to have the final showing of the Bear movie on Wed., Dec. 16, at 7 p.m. We won't have another film night until March.

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**NEW BUSINESS:** Because Kitty will be in Costa Rica from January 11 until February 27, we will not have meetings in January or February. Our next meeting will be on March 14, at 9:15. Gretchen will cover the Emergency Phone list in case there is flooding and Robin will handle any unexpected events that may arise.

**ADJOURNMENT:** The meeting was adjourned at 9: 50 a.m.

Respectfully Submitted: Kitty Rucker, substituting because Norma was not here.

**CAPE GEORGE POOL COMMITTEE MEETING NOTES -CG Clubhouse – Dec 16, 2015**

**ATTENDEES:** Art Burke, Rocky D'Acquisto – Chair, Leslie Fellner,& Norma Lupkes

**NOTES:** The current Pool Committee Treasury amount is \$2,300.58. These funds are not a part of Cape George Colony Club Homeowner's Association.

The 2016 budget passed unanimously and included the long-awaited dehumidification system for the pool and ultimately the building. Art continues to work with vendors for the project and has two contractor quotes coming in under 150K to do the work. A request for proposal will go out to these contractors immediately in the new year. Heat pumps will replace the propane currently heating the boiler and will be much more cost effective.

There was discussion about a sauna being incorporated into the project design. Rocky will do some investigation and report back at the next meeting.

There was some discussion about the St Patrick's Day fund-raiser in March and whether or not there is enough volunteer help to take on this event. The possibility of moving it to Feb or combining with another group that is looking for a fund-raising opportunity will be explored.

There was a short pool closure during the septic system repair work due to a 3-phase line being cut by the contractor. There were complaints of the cold water temperature during that time. It has since been resolved.

Next meeting: Feb 3, 2016 3:00 in the Clubhouse

Respectfully submitted, Norma Lupkes

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**Marina Committee Minutes, Jan. 5, 2016**

Harbormaster Penny Jensen called the meeting to order at 11 am. Fifteen members were present.

Penny reported the Marina Fund balance is \$5,685.28. (These funds are not owned by Cape George Colony Club). She asked for ideas for projects. Members discussed the need for a portable electric pump for bailing water out of open skiffs and dinghies. Scott Munson will report back to the Committee February with recommendations.

Penny announced that the annual marina sale is scheduled for the weekend of April 22.

Liveaboards: Penny explained that the Board of Trustees has asked for more explanation of why the Marina Committee proposes to limit the number of days that members can live or stay aboard their boats in the marina. In a lengthy discussion, most members agreed that there is no problem with liveaboards at present. However, there have been issues at times and there are likely to be more in the future. So the community needs a policy to deal with them.

The rationale: Unaccompanied guests violate the posted rule that guests are allowed on the docks only if accompanied by a member. Allowing unaccompanied guests could create insurance liability issues. In addition, liveaboards may use extra electricity and we could have problems with waste disposal since we do not have a pump out capability at the Marina.

Members approved the following rule:

*Members may stay overnight aboard their boats in the marina for up to seven nights per month. Longer stays require permission of the manager. Overnight stays are limited to members or guests accompanied by members.*

The meeting was adjourned at 11:50 am. Ross Anderson

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**AD HOC CONFLICT RESOLUTION COMMITTEE (CRC)**

Report to Board of Trustees, submitted Jan. 8, 2016  
Study Session, Jan. 12, 2016

Members: Judith Chambliss, Lynn Pierle, Jan Stone  
Committee last met Dec. 31, 2015

At a Dec. 31, 2015, meeting with Art Burke, he suggested that the Ad Hoc CRC reconsider offering a conflict resolution skills seminar for Club members. Subsequently, the Ad Hoc CRC members revisited the idea and decided to revive the previous plan to offer such a presentation. In this regard, the CRC's intention is to:

- 1) Arrange with Carly Thornburg, of King County Dispute Resolution Center (KCDRC), to make the presentation, using a framework and materials developed by the KCDRC. We are familiar with this presentation and believe it would be well suited to Cape George Colony Club members. The 1.5 to 2 hour presentation would likely take place on a Saturday morning in April or May (date to be determined soon).
- 2) Investigate possible financial resources for covering the costs of the presentation, the total cost would be \$354.76. It is our intention to seek funding first from the Social Club, and/or (if necessary) from the Cape George Colony Club (through the Board of Trustees), and by charging a small registration fee (\$5.00 in advance/\$8.00 at the door).
- 3) Ask the Cape George University Steering Committee to co-sponsor this event, without necessarily including it as one of their regular monthly lecture series.
- 4) Prepare a Newsletter article, flyer and email "blast" to announce the event and invite registrations.
- 5) Establish the administrative framework for coordinating this event.

In addition to the above, the meeting with Art also included presenting him with a draft template outlining a mediation process for Cape George Colony Club members. This is a work in process, but attached you will find the template showing the overall framework being proposed. Art felt this plan would provide an appropriate and potentially useful resource to supplement his already established system for managing complaints or concerns brought to his attention. Further steps necessary to finalize this process include:

- 1) Create a detailed step-by-step description of the process.
- 2) Present a formal proposal to the Board of Trustees at the February 9, 2016 Study Session, describing the plan in detail, which we suggest be considered a "pilot project" for a period of a year, during which time the need, the use and the effectiveness of the service can be assessed.

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3) Create two Guides to be provided to members when appropriate.

a) *Tips for Having Difficult Conversations:* In addition to his usual verbal guidance for a member who expresses a concern or complaint, Art can offer this Guide to assist the member in talking with the neighbor about the concerns.

b) *About Mediation Guide:* If the process leads to an interest in enlisting the assistance of a mediator, this FAQ information will be available.

4) Provide information regarding the potential mediators, which will include Lynn Pierle, Judith Chambliss and two outside-the-Colony Club experienced mediators who are willing to volunteer their time and be called upon should it be inappropriate for either Lynn or Judith to serve as mediators (due to personal acquaintance with the participants or association with the issue to be addressed).

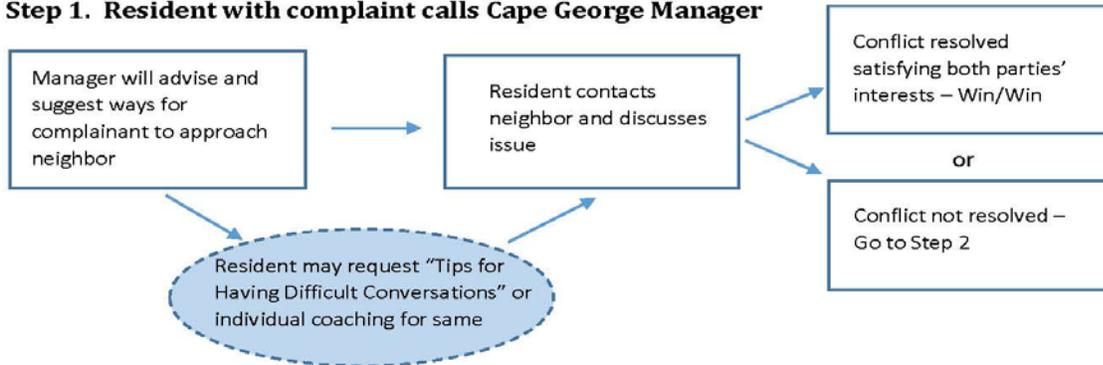
Committee member Judith Chambliss will attend the 01/12/16 Study Session.

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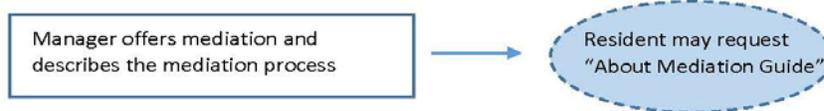
**A Process for Resolving Conflict at Cape George Colony Club**

**What to do when a conflict arises between owners/residents**

**Step 1. Resident with complaint calls Cape George Manager**

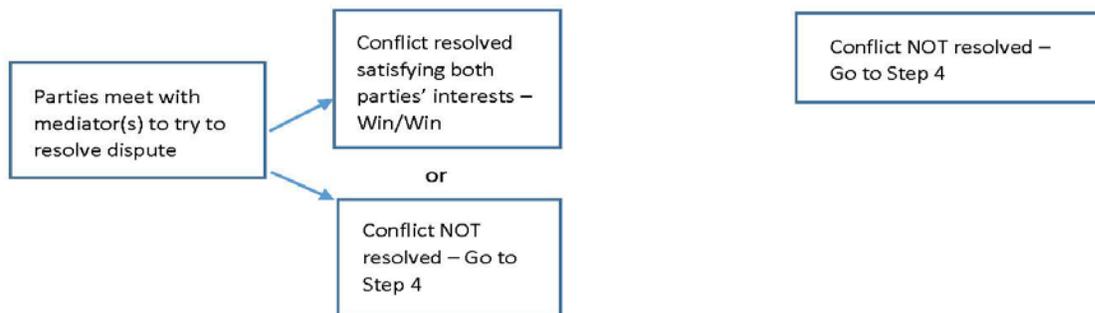


**Step 2. Resident files a formal written complaint with Cape George Manager**

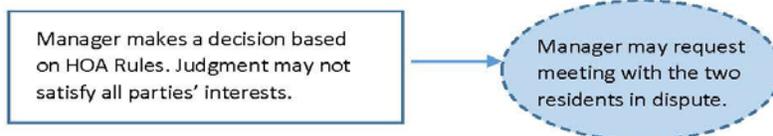


**Step 3. (A) Parties agree to mediation**

**or (B) Parties do not agree to mediation**



**Step 4. Manager decides the outcome**



**Step 5. Resident has option to appeal Manager's decision to the Board**

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**President Richard Hilfer called the meeting to order at 7:02 p.m.**

**Welcome**

**In Attendance:** Karen Krug, Carol Wood, Richard Hilfer, Katie Habegger, Leslie Fellner, Michael Hinojos and Ray Pierson

**Action on Minutes:** Katie Habegger moved and Carol Wood seconded to approve the minutes of the Regular Board Meeting January 14, 2016 with the addition of the Drainage Problem Timeline memo. Passed - 6/0

**Membership Report:** Katie Habegger

George & Harveta (Sam) Conner purchased 29-7 Saddle from Greg & Marcy Mika (Jan 8<sup>th</sup>)  
Jerry & Kathryn Weatherman purchased 120 Huckleberry Pl from Mark & Carolyn Ware (Jan 12)  
Andy Brett purchased Lot 8 Bridle Way from Keith & Martinia Slattery (Jan 12<sup>th</sup>)

**Treasurers Report:** Karen Krug

**TREASURER'S REPORT**

**As of January 31, 2016**

*A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website and are also available for review in the office.*

**2015 AUDIT:**

Financial information for the year ended December 31, 2015 has been submitted for audit. The auditors were on site on February 4, 2016 to review randomly selected transactions and complete various tests of our financial processes. In addition to commenting on the unusual form of the long-standing business agreement with Peninsula Credit Union, the auditors also noted a payroll review process that had been abandoned for about half the year. Either or both of these issues could result in an internal control comment, but neither issue should have an adverse impact on the audit opinion itself.

It is also likely that a January 2016 identification and correction of the coding of a \$900 Well #4 item will result in an audit adjustment to the 2015 statements. (See below)

**2016 Balance Sheet comments:**

Bank statements from all financial institutions have been received and reviewed and all accounts have been reconciled. The excess NCUA balance at Peninsula Credit Union was corrected before the end of the month so no financial institution holds more than the FDIC/NCUA insured balance of \$250,000. Since timing of major expenditures is still uncertain, an additional bank account is being considered to help minimize the potential for excess deposits in 2016.

Routine receivables are lower than at this time last year, a good indication that Members are paying their assessments in a timely manner. In addition, prepayments are nearly 12% higher than this time last year.

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The balance sheet does show what appears to be negative Marina receivables in the amount of \$1,239. This is due to a timing difference between when several payments were applied (January 31) and when those payments were actually posted in the system (February 1). The timing difference is self-correcting.

**2016 Income Statement comments:**

It is very early in the fiscal year but with a few minor exceptions, things appear to be in sync with budgeted expectations.

There is a large negative expense in Water repairs. In December 2015, an expense accrual was made for an item associated with Well #4. Unfortunately the accrual should have been to the CIP fixed asset account. The January correction of the recording error is causing the negative balance. As mentioned *above* this correction may result in an adjustment on the 2015 audit.

Marina revenues appear a bit behind budget projections and also behind last year. The correction of the posting error mentioned *above* plus early February payments should eliminate most of the difference.

There is a miss-classification of a \$4,100 partial payment for the office carpet. The payment was charged as an operating expense of the reserves and it should have been coded as a capital asset. A correction will occur in February.

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**CAPE GEORGE COLONY CLUB**  
*Balance Sheet as of January 31, 2016 and 2015*

<b>Assets</b>	<b>2016</b>	<b>2015</b>	<b>Liabilities and Fund Balances</b>	<b>2016</b>	<b>2015</b>
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 220,977	\$ 178,478	Accounts Payable & Other Liabilities	\$ 11,793	\$ 11,251
Operating Investment-Savings	70,068	70,041	Unearned Income General/Water/Etc.	74,768	66,454
Petty Cash (2 accounts)	600	600	Unearned Income Other	-	670
Reserves - General, Water & Marina	635,282	405,044	Unearned Income Marina Wait List	1,000	1,000
Special Assmnts(Berm/Sseawall)	7,374	68,002	Due to General Reserve (Loan)	2,323	60,085
<b>Routine Reserve Assessment**</b>	<b>41,907</b>	<b>40,593</b>	<b>Total Current Liabilities</b>	<b>89,884</b>	<b>129,460</b>
<b>Total Cash &amp; Equivalents</b>	<b>976,208</b>	<b>762,758</b>			
Net Accounts Receivable	15,403	21,311	North Seawall Assessment Liability	-	-
Due from S. Seawall Reserve (Loan)	2,323	50,085	South Seawall Assessment Liability	-	-
Net SpclAssmnts Receivable	-	30,981			
<b>Total Net Fixed Assets</b>	<b>1,754,109</b>	<b>1,775,913</b>	<b>FUND BALANCES:</b>		
Total Prepaid & Other Assets	17,656	20,205	Fund Balances (Combined)	2,502,545	2,352,351
<b>TOTAL ASSETS</b>	<b>\$2,765,699</b>	<b>\$2,661,253</b>	Modified Cash Basis CY Income*	173,270	179,442
			<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,765,699</b>	<b>\$ 2,661,253</b>

*Summary Revenue and Expense Statements for the periods ended January 31 (Modified Cash Basis)*

2016 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2016 YTD	2015 YTD	Variance	%
General Assessment	\$ 71,602	\$ 71,602	-	0%	General Assessment	\$ 71,602	\$ 71,602	-	0%
Revenue - All Other Sources	901	811	90	11%	Revenue - All Other Sources	901	880	21	2%
<b>Total General Revenue</b>	<b>72,503</b>	<b>72,413</b>	<b>90</b>		<b>Total General Revenue</b>	<b>72,503</b>	<b>72,482</b>	<b>21</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	9,194	11,588	2,394	21%	Salaries, Benefits, PR Tax	9,194	9,131	(63)	-1%
Repairs & Maintenance	860	1,881	1,021	54%	Repairs & Maintenance	860	233	(627)	-269%
Contracted Services	1,876	2,762	886	32%	Contracted Services	1,876	2,158	282	13%
Insurance	1,566	1,785	219	12%	Insurance	1,566	1,861	295	16%
Pool Expense	1,292	1,708	416	24%	Pool Expense	1,292	1,075	(217)	-20%
Other Expenses (incl taxes)	1,475	2,081	606	29%	Other Expenses (incl taxes)	1,475	1,543	68	4%
<b>Total General Expenses</b>	<b>16,283</b>	<b>21,805</b>	<b>4,520</b>		<b>Total General Expenses</b>	<b>16,263</b>	<b>16,001</b>	<b>(113)</b>	
<b>General Net Income</b>	<b>\$ 56,240</b>	<b>\$ 50,608</b>	<b>\$ 5,632</b>	11%	<b>General Net Income</b>	<b>\$ 56,240</b>	<b>\$ 56,481</b>	<b>\$ (241)</b>	0%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 45,990	\$ 45,990	-	0%	Revenue - Water Use Fees	\$ 45,990	\$ 45,990	-	0%
Revenue - All Other Sources	3,065	2,000	1,065	53%	Revenue - All Other Sources	3,065	3,254	(189)	-6%
<b>Total Water Revenue</b>	<b>49,055</b>	<b>47,990</b>	<b>1,065</b>		<b>Total Water Revenue</b>	<b>49,055</b>	<b>49,244</b>	<b>(189)</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	4,300	5,268	968	18%	Salaries, Benefits, PR Tax	4,300	4,243	(57)	-1%
Repairs & Maintenance	(901)	898	1,799	200%	Repairs & Maintenance	(901)	(77)	824	-1070%
Contracted Services	1,111	1,445	334	23%	Contracted Services	1,111	1,045	(66)	-6%
Insurance	822	937	115	12%	Insurance	822	991	169	17%
Other Expenses (incl taxes)	4,894	5,388	494	9%	Other Expenses (incl taxes)	4,894	3,907	(987)	-25%
<b>Total Water Expenses</b>	<b>10,226</b>	<b>13,936</b>	<b>3,710</b>		<b>Total Water Expenses</b>	<b>10,226</b>	<b>10,109</b>	<b>(117)</b>	
<b>Water Net Income</b>	<b>\$ 38,829</b>	<b>\$ 34,054</b>	<b>\$ 4,775</b>	14%	<b>Water Net Income</b>	<b>\$ 38,829</b>	<b>\$ 39,136</b>	<b>\$ (306)</b>	-1%
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 48,725	\$ 55,500	\$ (6,775)	-12%	Revenue - Moorage/Parking	\$ 48,725	\$ 49,578	\$ (853)	-2%
Revenue - All Other Sources	7,060	7,902	\$ (842)	-11%	Revenue - All Other Sources	7,060	7,265	(205)	-3%
<b>Total Marina Revenue</b>	<b>55,785</b>	<b>63,402</b>	<b>(7,617)</b>		<b>Total Marina Revenue</b>	<b>55,785</b>	<b>56,843</b>	<b>(1,058)</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	974	1,148	174	15%	Salaries, Benefits, PR Tax	974	948	(26)	-3%
Repairs & Maintenance	768	492	(276)	-56%	Repairs & Maintenance	768	513	(255)	-50%
Contracted Services	114	681	567	83%	Contracted Services	114	126	12	10%
Insurance	505	528	23	4%	Insurance	505	519	14	3%
Other Expenses (incl taxes)	1,210	847	(363)	-43%	Other Expenses (incl taxes)	1,210	746	(464)	-62%
<b>Total Marina Expenses</b>	<b>3,571</b>	<b>3,696</b>	<b>125</b>		<b>Total Marina Expenses</b>	<b>3,571</b>	<b>2,852</b>	<b>(719)</b>	
<b>Marina Net Income</b>	<b>\$ 52,214</b>	<b>\$ 59,706</b>	<b>\$ (7,492)</b>	-13%	<b>Marina Net Income</b>	<b>\$ 52,214</b>	<b>\$ 53,991</b>	<b>\$ (1,777)</b>	-3%
Routine Reserve	29,790	29,790	-		Routine Reserve	29,790	29,790	0	
Spcl Assmnt Income/Exp	(3,842)	-	(3,842)		Spcl Assmnt Income/Exp	(3,842)	-	(3,842)	
Reserve Interest - all	39	6	33		Reserve Interest - all	39	45	(6)	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 173,270</b>	<b>\$ 174,164</b>	<b>\$ 2,948</b>	-1%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 173,269</b>	<b>\$ 179,442</b>	<b>\$ (2,330)</b>	-3%

\*\*Modified Cash Basis, Excludes Depreciation

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**Manager's Report:** Art Burke

February 11, 2016

The 1099 and W-2 forms have been prepared and distributed by the Senior Bookkeeper as required. If you haven't visited the Clubhouse in the last week you are missing out on an amazing transformation in appearance. The Social Club hired an interior designer who put together a new color pallet for the interior of the building. Last week that new color scheme was put in place. Thanks to Social Club members Mary Hilfer, Norma Lupkes and Laurie Owen for rolling up their sleeves and spending three days painting the entire building. Not an easy task when you consider how large the building is and many feet of trim needed to be painted and painted around. They were also joined by Marta Favati, Donnie and Terri – thanks for pitching in! Thanks also to the Social Club for their donation to the community to pay for the paint. It looks great!

Installation of new tile has been completed in the entryway of the office in preparation for new carpet being installed later in the month.

The development of the pool dehumidification system request for proposal is nearing completion and should be going out later this month.

WA State Department of Ecology recently provided us with a draft Report of Examination (ROE) that will be undergoing a 30 day comment period. The Water Committee conducted a conference call with our attorney, Bill Clarke, on January 2<sup>nd</sup> to review the information contained in the ROE. Although it is probably not very well explained in the ROE, the effect of the document will be to return water right G2-23774 to 160 acre feet and then approve an additional 32 acre feet (water right GS-28918) that applies to all four well locations. The 192 acre feet/year total applies to our four well locations. At the conclusion of the call it was agreed that we had reached a settlement that would provide the community with an adequate supply of water at full build-out.

We have received notice from the WA State Department of Ecology granting us an extension to Water Right No. 23774 to put our water to full beneficial use. This extension is not associated with our water rights challenge with Ecology.

Projects being worked on by the Office Administrator:

- Preparations are underway for the installation of new carpet in the office on February 16<sup>th</sup>. Members visiting the office on that day may experience "challenges" at times.
- Work continues on setting up the new season at the Marina including accepting final registration information and distributing new access keys.
- Time is being spent attempting to locate past members concerning north seawall refund checks.
- Planning for the 2016 lot mowing cycle is underway.

Projects being worked on by the Caretaker:

- Assisting Marina volunteers with grading area around crab shack.

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

- Hedge complaint in the Colony.
- Light complaint in the Village.
- Complaint of tenant having more than the allowed two dogs.

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Water, Building and Marina

The reports are attached to these minutes and incorporated by reference.

**Information Items:**

A. The Trustees received an update from the Ad Hoc Dispute Resolution Committee co-chair Lynn Pierle – attached for the record.

B. Board President Richard Hilfer provided an update on the process underway to receive proposals from law firms interested in becoming Cape George’s new corporate counsel. It is anticipated that we will have 3-4 proposals by the end of the month.

C. The Manager provided an update on the proposed Verizon cell tower. The Cape George site has been determined to be a suitable location and next steps are underway to further assess the geology, followed by zoning actions through Jefferson County. We have requested information concerning what level of improvement to cell signal coverage in our community would be expected.

**Member participation:** None

**New Business Action Items:**

**Motion 1:** Leslie Fellner moved and Ray Pierson seconded to provide funding of \$110 to support a Dispute Resolution presentation later this year. Passed – 6/0

**Motion 2:** Carol Wood moved and Michael Hinojos seconded to accept the letter of resignation from Marina Committee Chair, Marty Bluewater and appoint Craig Muma to the Marina Committee Chair position. Passed – 6/0

**Motion 3:** Katie Habegger moved and Carol Wood seconded to adopt changes to Cape George rule CP03 Marina Usage pertaining to disposal of oils and fuels and storage of dinghy’s and tenders as recommended by the Marina Committee. Passed 6/0

**Motion 4:** Karen Krug moved and Leslie Fellner seconded to approve the refund of \$290.00 to a member. Since the Member CAM006 prepaid for 2016 rampage and trailer parking and decided prior to the 2016 payment deadline of January 31, 2016 not to use those services. Passed – 6/0

**Motion 5:** Michael Hinojos moved and Ray Pierson seconded to approve Resolution 2/01/16 to transfer \$11,167.32 from General Reserves to Operations checking for modification of the pool facility septic system, Shold Excavating- \$11,167.32 Passed – 6/0

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**Motion 6:** Carol Wood moved and Karen Krug seconded to approve the Resolution 2/02/16 to transfer \$17,918.64 from Water Reserves to Operations checking for replacement of Well #4 pump and motor, Red's Electric Motors - \$16,349.04, Pro Link Fence - \$654.00 and Millican Crane Service - \$915.60

Passed – 6/0

**Motion 7:** Karen Krug moved and Ray Pierson seconded to deny a members December 14, 2015 request to abate, reduce or eliminate appropriately assigned fines and late fees, based on the corrected information contained in the January 20, 2016 letter to member BEH001. Passed – 6/0

**Motion 8:** Karen Krug moved and Michael Hinojos seconded that the POP plan be formally discontinued as February 12, 2016, since the Premium-Only-Plan, or POP, for pre-tax payment of the employee contribution to health insurance has not been used or needed since 2014. Passed – 6/0

**Motion 9:** Katie Habegger moved and Ray Pierson seconded to adopt the changes to Cape George rule FIN02 Policy and Procedures on Annual Budgets as published in the February Newsletter. Passed – 6/0

**Motion 10:** Karen Krug moved and Ray Pierson seconded to approve the changes to FIN04 as published in the February 2016 Newsletter and with those minor amendments as shown in the February 11,2016 Board packet. Passed- 6/0

**Motion 11:** Katie Habegger moved and Carol Wood seconded to authorize the establishment of a new bank relationship at 1<sup>st</sup> Security Bank. Passed – 6/0

**Motion 12:** Carol Wood moved and Michael Hinojos seconded to approve two members request for due date adjustments. Passed -6/0

**Open Board Discussion:** None

**Announcements:**

- A. Study Session – March 8, 2016 3:00 P.M.
- B. Board Meeting – March 10, 2016 7:00 P.M.

Carol Wood moved and Ray Pierson seconded to adjourn to Executive Session for the purpose of discussing an issue involving the possible liability of a member to the Club at 7:28 pm. Passed – 6/0

Karen Krug recused herself from the discussion and any voting on the matter.

Carol Wood moved and Leslie Fellner seconded to adjourn the Executive Session and resume to the Regular Board meeting at 7:39 pm. Passed - 5/0

**Motion 13:** Ray Pierson moved and Michael Hinojos seconded to waive excess water charges of \$759.50 billed to member Luz Loch as the result of an unforeseen water line break. Passed - 5/0

Michael Hinojos moved and Carol Wood seconded to adjourn the Regular Board Meeting at 7:40 pm. Passed - 6/0

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Submitted by:

Approved by:

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Katie Habegger, Secretary

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Richard Hilfer, President

**Committee reports:**

**WATER ADVISORY COMMITTEE - FEBRUARY 2, 2016**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Karen Krug, Board Liaison; Greg Rae, Water Manager; Larry Southwick, Committee Chair; and members Scott James and Stewart Pugh.

1. Water rights – we had a conference phone call with Bill Clarke, our attorney. He and Art had recently received an email from DOE with a draft Report of Examination (ROE) for Water Right Application, 17 pages. The ROE addresses our concerns and grants our requested 192 acre feet per year of water rights. That's the amount included in our Water System Plan and projected to be enough for Cape George at build out. We will need to report every five years (2016, 2021 and 2026) on progress toward build out. Once we accept the ROE, it will be published for public review and comment for 30 days. Other agencies, the tribes or citizens could comment which would then be addressed before it's finalized. There is also a 30 day appeal period after that if someone disagrees with the final report. We discussed it all with Bill and then instructed him to forward our agreement to DOE. The draft Report addresses our entire well site in one umbrella permit which would allow us to modify, replace or add wells within that location in the future if needed as long as we didn't exceed the permitted withdrawal rates. The Draft Report is available at the office or online for review.
2. Highland Booster Pump Controller – work is completed and the system is running as intended. There are still a few tweaks including calibration to complete. Stew and Donnie will move the pressure sensor to the same location as the manual pressure gauge to complete the calibration. Stew also needs to link it with the auto-dialer to call out if the pressure doesn't come up within a few minutes when the pumps are on.
3. Backflow / Cross Connection – all residences are now in compliance, either tested or disconnected. Art reported that they had some issues with a BAT tester that the office had to get involved so we'll remove that company from our list. We have 10 BAT on our list so that wouldn't affect our program. All backflow assembly valves will need to be inspected annually from now on.
4. Well #4 – the well has been cleaned and the new pump installed. This well is needed/used to increase the flow rate when backwashing the filters but not for everyday supply. The contractor did a very good job and we made some fence modifications to provide for better access to the well house in the future.
5. Last month, Art reported that an owner left a phone message that she will not pay the water fees in addition to the basic assessment. She has been a repeat offender, had damaged her water meter and is quite aggressive and belligerent when dealing with staff. She will be taking her issue to the Board.

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6. We discussed a substantial water leak at a residence in Huckleberry that occurred around Thanksgiving. It wasn't detected on the previous water meter read and went undetected until the owner found and reported it. The water was shut off and the service line repaired but the excess water bill is large for something over 300,000 gallons of lost water. That seems excessive because that could be over 10 gallons per minute continually for 20 or more days, depending on how long it ran before it was discovered. Depending on the surrounding soils, that much water can just run into the ground for a long time before it's detected on the surface. The house and water service line are over 40 years old.

The next meeting will be on March 1, 2016 at 5 pm at the Office.

**BUILDING COMMITTEE - February 1, 2016**

Building Permit Issued:

Richard Root, 240 S Palmer, Colony, build an addition onto his existing home.

Earthworks Permit Issued:

Colby Fox, 150 N Palmer, Colony, septic system repair.

**MARINA COMMITTEE MEETING - February 2, 2016**

NEW LOCKS HAVE BEEN INSTALLED ON THE GATE TO THE PARKING LOT, THE CRAB SHACK AND THE BOAT LAUNCH RAMP. PLEASE TURN IN AND PICK UP YOUR NEW KEY AT THE CG OFFICE.

Attendees: Marina Harbormaster Penny Jensen, Marina Committee: Paul Happel, Scott Munson, Mac McDonald, Jack Sherting, Bob Schlentner, Bill Deckman, Ken Owen, Dan & Shelley Fye, John Hanks, Mike Smith, Bill Dunning, Ray Pierson, Gary Nelson and Frank Kiefer.

The meeting was called to order at 11:00 am by Marina Chairperson Penny Jensen.

Mac McDonald will be acting harbormaster until February 16. The marina committee would like to thank Marty Bluewater for his time and energy as the marina chair. Craig Muma was unanimously voted in by the marina committee as the new marina chairperson, The CG Board will meet and make a decision on committee recommendation. The marina memorial fund has \$4,700 in its account. The Port Townsend Fire boat will not be returning to the marina. Just about all slips have been assigned in the marina. The gravel road in the marina will be regraded soon. Live-a-boards will be discussed at the February 9, Study Session. Scott Munson donated a portable emergency electric water pump to pump out boats in the marina. There has been some unauthorized persons in the marina area and boat parking lot. If you see people who don't seem to belong in the area please contact the Cape George Office. Craig Muma presented a slide show on the 2015 Race To Alaska. Craig, Marie Muma and dog Jack were the sweep boat for the race and assisted boats along the way during the race.

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Meeting adjourned at 11:55 am

**AD HOC CONFLICT RESOLUTION COMMITTEE (CRC) - Feb. 5, 2016**

Members: Judith Chambliss, Lynn Pierle, Jan Stone  
Committee last met Feb. 2, 2016

A. The Ad Hoc CRC has moved ahead in confirming a dispute resolution skills presentation for Cape George Colony Club residents: "The following outlines the details:

1) The event will occur on Saturday, May 21, 2016 at the Clubhouse from 10:00 a.m. to Noon. That time frame will include an opportunity for Q&A.

2) Carly Thornburg, of King County Dispute Resolution Center (KCDRC), will make the presentation using a framework and materials developed by the KCDRC. The Ad Hoc Committee will be working with Ms. Thornburg to tailor the content to suit the Cape George Community and its needs. Lynn Pierle and Judith Chambliss will assist Ms. Thornburg as needed.

3) The originals of all handout materials will be provided by Ms. Thornburg for copying by the Cape George office. (She will make sure we have those in a timely way.)

4) Refreshments will be served.

5) We have calculated that the costs for the presentation (honorarium and travel) will be a total of \$360.00. The Social Club has generously agreed to sponsor the event with a contribution of \$250. This leaves a balance of \$110.00. The Ad Hoc CRC respectfully requests that the Board of Trustees co-sponsor the event with the Social Club by approving a contribution from the HOA budget of \$110 to cover the balance.

6) We will be preparing a Newsletter article, a flyer and an email "blast" to announce the event and invite registrations.

B. We have now completed our proposal outlining a framework for a Cape George Dispute Resolution Process. The documents described below will provide the Board of Trustees with a thorough description of the proposed process, as well as several other materials/documents that the Ad Hoc Committee members have created to support and explain the process to staff and members who might choose to participate.

We respectfully request the approval of the Board to implement this process for Cape George Colony Club Members. We regret that all three of us cannot attend the Study Session, but we will be well represented by Lynn Pierle, who will answer any questions you might have.

**Description of the attached relevant documents:**

1) These two documents outline and describe the mediation process being proposed to the Board of Trustees. They are primarily for office use.

a. ***A Process for Resolving Disputes at Cape George Colony Club (Text)***

b. ***A Process for Resolving Disputes at Cape George Colony Club (Graphic)***

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- 2) The following two documents can be provided to members who contact the Manager regarding a concern about or dispute with another resident. These can be available on the website or picked up at the office.
  - a. **Tips for Having Difficult Conversations** (2pp) This short document provides helpful information for those who wish to have a dialogue with their neighbor about their concerns.
  - b. **Having Difficult Conversations** (6pp) This is a more detailed version of the above document, which can be made available on the C.G. website for those who might like a more thorough coverage of the topic than the “Tips” provides.
  
- 3) We also recommend that the following link be provided on the Cape George website: a. **Conflict Resolution Tips** <http://www.kcdrc.org/resources/resolution-tips/> Created by the King County Dispute Resolution Center, this document provides additional helpful information regarding resolving a dispute.
  
- 4) The following two documents will be useful for those who wish to consider or have chosen to try mediation. These can be available on the website or picked up at the office.
  - a. **About Mediation** (2pp) A FAQ-like introduction to mediation in general.
  - b. **Resolving Your Dispute Through Mediation in Cape George** (2pp) This is similar to the “Process” text document listed above, but is specifically directed to potential users of the Cape George Dispute Resolution Process

## A PROCESS FOR RESOLVING DISPUTES IN CAPE GEORGE COLONY CLUB

The Cape George Homeowners Association acknowledges that occasionally disputes between homeowners/residents arise. The HOA understands that solving disagreements fairly and quickly goes a long way in maintaining a positive relationship between homeowners. Therefore, the HOA offers and recommends the following process for resolving neighbor-to-neighbor disputes between Cape George Colony Club members concerning issues relevant to residence at Cape George.

### STEP 1: WHEN A DISPUTE ARISES

- A. A member involved in a dispute calls the Cape George Manager and describes the situation. The Manager then informs the complainant about possible actions. The Manager may suggest ways the individual could approach the neighbor to have a conversation that might result in a resolution of the dispute. The guide “Tips for Having Difficult Conversations” is available to provide some additional guidance in this regard. If necessary, the party could be referred to a “coach”\* who might be able to suggest ways s/he might engage in and manage a conversation. [\*Note: If this coaching consultation is provided by one of the mediators and the situation then goes on to mediation, the “coach” will not be one of the mediators.]
- B. After hearing the Manager’s suggestions, the complainant, may prefer to have a conversation with the neighbor only if an impartial third party is present. In that case, the complainant proceeds to Step 2.
- C. The complainant follows through with the Manager’s suggestions and sets up a time and place for a meeting with the neighbor. At this point, through dialogue and sincere consideration of each other’s needs and interests, they devise a solution that is satisfactory to both parties. The agreement they reach can be verbal or written. In either case, the agreement is a good faith resolution and not a legally binding contract. They may or may not choose to report the outcome to the Manager.
- D. If the meeting fails to bring about a resolution, either party may proceed to Step 2.

### STEP 2: TAKING IT TO THE NEXT LEVEL

- A. In order to pursue a resolution, the complainant must file a **formal, written complaint with the Manager.**
- B. In response to the complaint being filed, the Manager offers mediation as an option for resolving the situation and describes the mediation process. At this time, the Manager can offer the general “About Mediation” information sheet and/or the “Resolving Your Dispute Through Mediation.” guide.

- C. If the complainant agrees to consider mediation, the Manager contacts the other party, offers the “About Mediation” information sheet and/or the “Resolving Your Dispute Through Mediation” guide. If both parties are interested in trying mediation, the Manager contacts the mediator(s), and arranges a time and place agreeable to the mediator and the participants. The referral to the mediator(s) should occur soon after the Manager has received the written complaint and the parties have indicated an interest in using mediation.

### **STEP 3: TO MEDIATE OR NOT TO MEDIATE**

- A. Mediation works only if all participants are willing to engage in the process. It is important that all participants enter the mediation willing to keep an open mind, actively listen to each other, be respectful, and be willing to negotiate in good faith. If either party is not comfortable with this process, s/he should decline mediation. If, after talking with the parties, the mediator(s) or the parties decide mediation is not appropriate, the parties can choose to proceed to Step 4.
- B. At the outset of the mediation, the process will be thoroughly described by the mediator(s) and the parties will be asked to sign an “Agreement to Mediate” which will affirm their commitment, address confidentiality issues, and include a “Hold Harmless” statement regarding the mediator and Cape George Colony Club HOA. As explained in the “About Mediation” guide, the mediator(s) remains impartial throughout.
- C. If agreement is reached, the parties determine whether the formal Agreement will be verbal or written. If the latter, the mediator can assist the parties in writing their settlement statement, which should be signed by both parties. Whether verbal or written, the Agreement remains a good faith resolution and not a legally binding contract. Neither party should enter into an Agreement with which s/he is not satisfied or does not intend to fulfill.
- D. If an Agreement is not reached after good faith negotiations in mediation, the party filing the written complaint may choose to proceed to Step 4.

### **STEP 4: RESOLUTION BY THE MANAGER**

- A. The Manager proceeds to assess the situation, which may or may not include a meeting with the two parties, either together or separately, to hear all of the concerns before making a final decision.
- B. The Manager will be fair and flexible, but in the end, the outcome will most likely be based on adherence to HOA rules and regulations. Both disputants should understand that the Manager’s decision may not satisfy all parties’ interests.

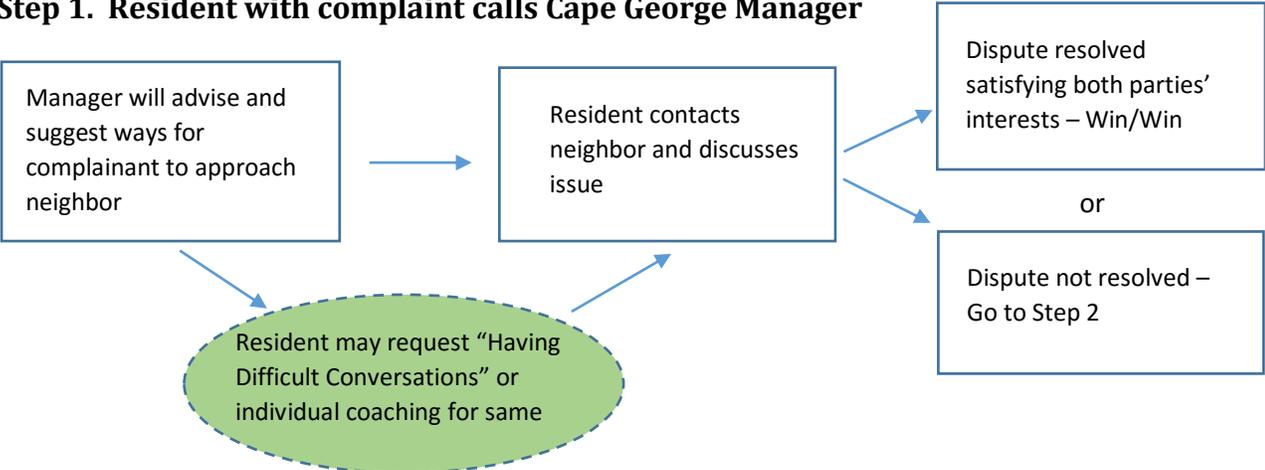
### **STEP 5: APPEALING DECISIONS TO THE BOARD**

If either homeowner is not satisfied with the Manager’s decision, s/he may appeal the decision to the Board. The Board’s decision is final within the governance of the Cape George Homeowners Association. However, any homeowner may take further action through legal proceedings.

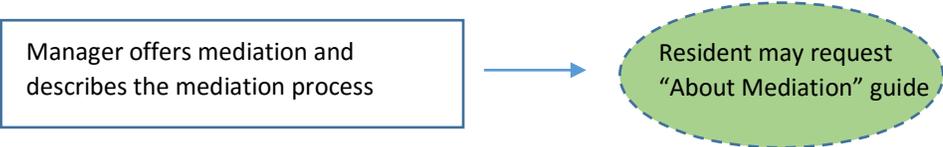
# A Process for Resolving Conflict at Cape George Colony Club

## What to do when a dispute arises between owners/residents

### Step 1. Resident with complaint calls Cape George Manager

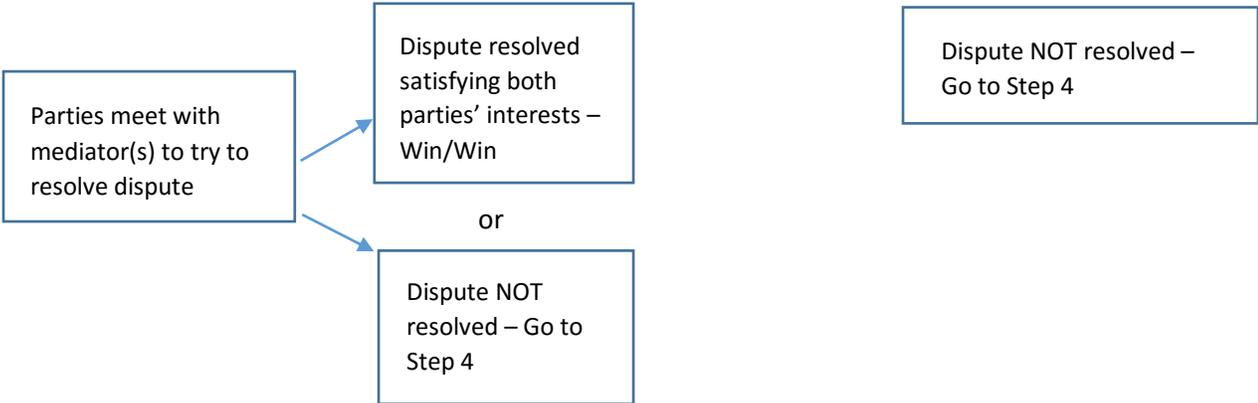


### Step 2. Resident files a formal, written complaint with Cape George Manager

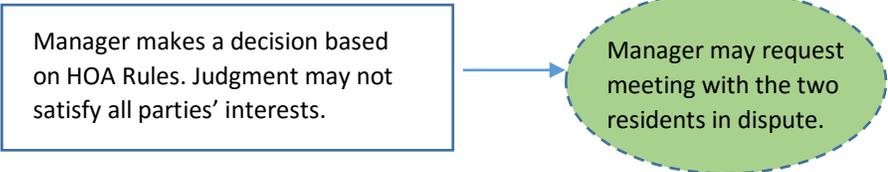


### Step 3. (A) Parties agree to mediation

### or (B) Parties do not agree to mediation



### Step 4. Manager decides the outcome



### Step 5. Resident has option to appeal Manager's decision to the Board

# TIPS FOR HAVING DIFFICULT CONVERSATIONS

## PREPARING FOR THE CONVERSATION

1. Think about your intentions and your goals: What do you hope to achieve? What would be an ideal outcome? What alternative outcomes might be acceptable to you?
2. Consider your assumptions about the other person(s): What do you think are his/her intentions related to the situation? Does s/he think it is a problem?
3. Assess whether there is a possibility that you have contributed to the problem: Could there be a simple misunderstanding of facts related to the situation? Is there information that could be shared by either you or by the other person that might resolve the situation? How can you best discover or communicate the important facts?
4. Consider what issues you might share: Is there common ground between you and the other person? Are there shared needs, goals, or fears? Can you think of a solution that might satisfy both your needs and those of the other person?
5. Rehearse the conversation with a friend and/or mentally practice the conversation on your own. Imagine various ways the conversation might go, and decide how you might respond to each of the possibilities.

## HAVING THE CONVERSATION

1. Begin the conversation with a calm presence and an open and inquiring mind. Possible openers: "I'd like to talk with you about \_\_\_\_\_. We might have differing views and I would like to hear and understand yours." OR "I need your help with something, and I'm wondering if we can talk about it together."
2. Be prepared to reschedule if the other person is unwilling to talk when you want to. Or if s/he is hesitant or reluctant to respond to you, wait patiently through periods of silence.
3. Maintain an attitude of openness and curiosity about the other person's assumptions, views, and fears. Encourage him/her to talk about his/her views of the situation, and listen to what is being said in an honest attempt to understand, without trying to convince him/her of the rightness of your views.
4. Listen carefully and respectfully to everything the other person says. If you don't understand something, ask for clarification. Don't interrupt or rush him/her. Be prepared to

hear whatever s/he says without reacting in an angry or disrespectful way. If you need to take a break in order to take in what has been said, ask for that time.

5. Stay in charge of yourself. Maintain a positive and calm attitude. Try to not take personally what the other person says about the situation.

6. When it is your turn to talk, be honest, clear and direct without being insulting or judgmental. Explain your interpretations of the situation and how it has affected you. Provide any information that the other person may be missing. Acknowledge any contribution you may have made to the difficulties. Clarify your views, concerns, and needs without minimizing theirs. Above all, discuss the situation or the problem rather than focusing on the other person's attitudes or behaviors.

7. Ask the other person to help you brainstorm solutions. Be open to considering various workable options. Constantly look for ways that both your needs and those of the other person can be met. Be creative in considering possible solutions that could be a "win-win." Consider and describe what may be the consequences for both of you if a solution cannot be found together. Always build on the positive ways you can both benefit from resolving the problem.

# HAVING DIFFICULT CONVERSATIONS

\*\*\*\*\*

## PREPARING FOR THE CONVERSATION

*There are several things we can do in advance to make difficult conversations easier, to increase the chances of good outcomes, and to preserve and improve relationships. Give some thought to the following suggestions:*

### 1. EXPLORE YOUR INTENTIONS AND YOUR EXPECTATIONS.

*The better you know your own intentions and objectives, the better you will be able to manage the conversation. Ask yourself:*

- Why do I want to have the conversation? What do I think might happen?
- What are my hopes and goals for the conversation? What would be an ideal outcome? What alternative outcomes might be acceptable, even if not ideal?
- Am I feeling judgmental? If so, how might that effect the conversation? How can I adopt a less judgmental attitude?
- Am I feeling nervous about the conversation, and if so, why is that? What am I afraid of? Is the fear reasonable? How can I get beyond the fear?
- What “buttons” are being pushed in me by in this situation? Are my feelings related to something outside this situation? Am I being reasonable?
- Am I feeling intimidated, or ignored, or disrespected by the other person? How will that affect my ability to communicate with him/her?
- Have I contributed to this problem? How?
- Do I want to persuade or pressure? Which do I think will be more effective?

### 2. REFLECT ON WHAT YOU KNOW AND WHAT ASSUMPTIONS YOU MIGHT BE MAKING.

*It is useful to separate what you actually know from what you might assume. Your*

*assumptions may or may not be correct. The other person may see the situation entirely differently than you do and may not even know there is a problem. Ask yourself:*

- What do I think his/her intentions are in regard to this situation?
- If I am feeling intimidated, ignored, or disrespected is it possible that is different from his/her intentions? How can I learn in a non-threatening manner what are his/her true intentions?
- Am I confident that I have the facts correct? Are there other possible interpretations? Is there information I don't have? How can I learn the true facts?
- What might s/he be thinking about this situation? Does s/he see it as a problem? Does s/he think it is solely my fault?
- What might be his/her needs or fears? Is there any common ground between his/her needs or fears and mine?
- What interests does the other person have that need to be satisfied in order for us to reach agreement? What possible outcomes might benefit him/her? How can I help him/her to see the benefits of resolving the situation?

### 3. PRACTICE THE CONVERSATION.

*Difficult conversations can be less scary when you practice them in advance. Doing so also helps you identify what areas you are most uncomfortable with, what additional information you may be missing, and how best to say things.*

- Rehearse the conversation with a friend, and/or mentally practice it until you feel more comfortable with it. Try out different ways of saying the things that may be the most difficult to discuss.
- Imagine how the conversation might go and think about how to react and respond to the various possibilities.
- If it helps you, jot down notes or key points you want to make. Don't bother

writing down a script because the conversation probably will not go exactly as you imagine. Remain flexible and open-minded.

## HAVING THE CONVERSATION

*Now that you have thoughtfully prepared for the conversation, you have laid the groundwork for a productive exchange. Next you should manage the conversation with the same thoughtfulness and care that you used in preparing. Above all, maintain a friendly and positive attitude — it will give you the best chance of a successful resolution. It will also increase the chances of preserving your relationship with the other person if the conversation fails to achieve what you had hoped for.*

### 1. INVITE THE OTHER PERSON TO SPEAK ABOUT THE SITUATION.

- Here are some possible approaches to starting the conversation calmly and with an attitude of openness:
  - a. “I need your help with something. Can we talk about it?”
  - b. “I have some concerns I’d like to share with you and hear your perspective.”
  - c. “I’d like to talk with you about \_\_\_\_\_. We may have differing views about it and I’d like to see if we might reach a better understanding.
- Adopt an attitude of interest and curiosity by trying to learn about the other person, e.g. their point of view, their needs, how they interpret things, how they respond to things, what their values and priorities are.
- Be sensitive to timing. If you sense that the other person isn’t ready or willing to talk, defer it to a more convenient time if you can. “Would it be better to talk later?”
- Listen, listen, listen. Concentrate on hearing every word and every nuance. Try to understand. Resist the temptation to start thinking about your response while the other person is talking. If you’re afraid you will forget something, jot down a quick note to yourself.

- Let the other person talk until s/he is finished. Do NOT interrupt except to acknowledge that you hear what s/he is saying, or to ask for clarification if you don't understand what is being said.
- Stick with the other person through a period of silence or reluctance to respond. Don't rush him/her. Wait or pause if necessary.
- Be observant. Notice the other person's body language. If it seems appropriate, in a non-threatening manner, inquire about what you notice. "You seem to be upset. It would be helpful for me to understand what you are feeling."
- Stay in charge of yourself. Remember your purpose. Don't lose confidence. Hold on to your good intentions. Be aware if you start to feel uncomfortable. Breathe, and pause until you feel calmer and can collect your thoughts.
- Try to maintain a positive attitude. The goal is to have a constructive exchange that can result in resolution of a problem. Remembering this can transform a "difficult conversation" to something less threatening.
- Remember that the other person may respond differently than you might have imagined. Be prepared to hear what s/he has to say, even if it is challenging or difficult. If you need it, ask for time to think about or take in what has been said.
- Whatever you hear, try not to take it personally or as an insult. Think of yourself as being coated in Teflon, preventing the other person's words and anger from sticking to you.
- If you're confused by what the other person has said, ask for clarification.
- If/When you believe you have heard and understood the other person, acknowledge that. It may be helpful to repeat back what s/he said. "What I think I heard you say is \_\_\_\_\_. Is that correct?" Even if you disagree, let the person know you hear what his/her concerns are. It is less likely that agreement will be reached unless the other person believes that you have heard and understood him/her.
- Remember that acknowledging the other person's feelings or opinions does not mean agreement. "This sounds really important to you" doesn't mean "I'm

going to go along with your decision.”

- Acknowledge your own defensiveness if it comes up. “I think I’m becoming defensive. I think this is because \_\_\_\_\_.”

## 2. BE READY TO SPEAK ABOUT YOUR CONCERNS WHEN APPROPRIATE

*Even if you have encouraged the other person to speak first, be aware that s/he might not wish to do so, so you may have to begin the conversation. Whether it is before or after the other person has spoken, clearly explain your perspectives and how the situation has affected you. When doing so:*

- Focus on the situation or the problem that led to the dispute, rather than the other person’s behavior or attitude.
- Avoid inflammatory, threatening, or accusatory words — they would likely derail the discussion and negate the preparation you have done. Keep your language simple, clear and kind.
- Clarify your views, concerns, and needs without minimizing the other person’s. If you believe s/he has missed an important point, patiently describe it again.
- Don’t be afraid to indicate your awareness that you may have contributed to the problem. Sometimes this can facilitate productive exchange.
- Be honest and fair in what you have to say, and don’t be overly emotional. Don’t ask for sympathy. Don’t say things like “This is hard for me” or play the victim.
- Watch for signs that the other person has heard you and is open to resolution. Be prepared to move on to agreement even if you haven’t said all you meant to.

## 3. THE POINT OF IT ALL: BUILD A SOLUTION TO THE PROBLEM.

*The most rewarding outcome is cooperatively building a solution that resolves the “problem” and brings satisfaction to both you and the other person. If you have achieved good, open communication, it is often possible to work together to build a creative solution that is different from any you might have imagined, and one that leaves both you and the other person with a good outcome.*

- After both you and the other person have had the opportunity to fully state your concerns, sum up your understanding of the situation and the other person's views. Invite him/her to do the same.
- Invite the other person to join you in brainstorming ways to solve the problem, together listing possible solutions. Be creative. Sometimes describing various solutions will result in discovering or creating one that works for both sides.
- If the discussion becomes adversarial as you address possible solutions, ask again for the other person's point of view. "What do you think might work for us to resolve this situation?"
- Build on the positives. Refer to common ground, whether it be needs or fears.
- Ask "What can we both gain from resolution of this problem?" Look for ways this can become win-win for everyone. Solutions that leave everyone with some good result(s) are far superior to ones that create a winner and a loser.
- Remember that your objective is to resolve the problem, not to assign blame or fault, or to embarrass or punish.
- If both you and the other person are having trouble coming up with a solution, explore what might be the consequences to both of you if you cannot resolve the problem. Describe that dilemma in a non-threatening manner.
- When agreement is reached, try to get it in writing. The writing should be in clear, simple language. Work together on the writing. After you are both satisfied with it, both should date and sign it.
- Regardless of whether agreement is reached or how the conversation turns out, thank the other person for participating in the discussion with you.
- After you get home, reflect on what has happened, what did you learn about yourself? What have you learned about communicating with others? Congratulate yourself on the good work you did and all of the positives that occurred in the process.

# ABOUT MEDIATION

## WHAT IS MEDIATION?

Mediation is a process in which an impartial third person helps those involved in a dispute to engage in a constructive communication process, assisting the participants to reach a mutually agreed upon resolution.

## WHAT IS A MEDIATOR?

A mediator has been trained to use a range of skills which can help those involved in a dispute to gain a better understanding of their own and each other's needs, interests and goals. S/he does not have significant involvement with the disputing persons or a vested interest in the issues involved in the dispute. As an impartial person, the mediator works fairly for each participant, allowing everyone equal opportunity to express their ideas, as well as listen to the other participant(s). The mediator does not make judgments or offer solutions, but provides a safe and comfortable atmosphere for the participants to arrive at the solution(s) that work best for them. A key role for a mediator is to slow down the conversation so that every person and every concern gets proper attention, thereby helping those involved to express themselves in a way that enables the other person to listen without feeling blamed or accused.

## WHAT ABOUT CONFIDENTIALITY?

Confidentiality guidelines are discussed and agreed upon by the participants early in the mediation. The mediator will always maintain confidentiality as to the content of a mediation and will not participate in any future legal actions.

## WHAT WILL IT COST?

It depends on where you go for your mediation. There are free or very low-cost services available in many communities and court systems. Private practice mediators usually charge an hourly fee.

## **HOW LONG WILL IT TAKE?**

Once a mediation is agreed upon, the scheduling is usually arranged by the mediator and the parties. The length of the actual mediation process depends on the nature of the dispute and the willingness of the participants to address the issues with the intention of finding a resolution. Ideally, any one session should not exceed two to three hours. If more than one session is required, that would be mutually arranged by everyone involved.

## **WHY SHOULD I TRY MEDIATION?**

Mediation is an effective way to help improve communication, restore trust, and rebuild relationships. Grievance or regulatory solutions can be effective in certain situations, but when communication is broken or respect damaged, mediation is often far more satisfying than a legal process, because the pitfalls of bureaucratic remedies or a formal complaint process are avoided. It is especially beneficial when the participants will have ongoing interactions.

## **WHAT IF • AGREEMENT IS REACHED, • BREACHED OR • NOT REACHED?**

- If a resolution is reached, the parties will determine whether it is confirmed verbally or with a written outline of what has been agreed upon. In either case, the Agreement is made in good faith and will not be legally binding.
- Steps to be taken if the terms of the Agreement are not kept can be included in the Agreement. The parties might choose to reconvene to discuss the situation and seek a remedy. They also have the option of initiating a formal complaint or legal proceedings, which will not involve the mediator.
- If the participants are unable to reach a satisfactory resolution, they may proceed as they wish regarding next steps, including filing a formal complaint or initiating legal proceedings. As mentioned, the mediator will not be involved at all in those proceedings.

# RESOLVING YOUR DISPUTE THROUGH MEDIATION

The Cape George Homeowners Association acknowledges that occasionally disputes between homeowners/residents arise. The HOA understands that solving disagreements fairly and quickly goes a long way in maintaining a positive relationship between homeowners. Therefore, the HOA offers and recommends the following process for resolving neighbor-to-neighbor disputes between Cape George Colony Club members concerning issues relevant to residence at Cape George.

This is an entirely **free\*** and **voluntary** service, provided by qualified and experienced mediators. It is up to the residents involved to decide whether they want to take advantage of this opportunity to resolve their issues with the help of a mediator. No one will be required to do so. Both parties must agree to engage in the process.

\*Should there be any costs incurred related to the mediation process, Cape George HOA will not be responsible for any of those costs.

## THE MEDIATORS

The mediators will be volunteering their time and expertise to help you resolve the dispute you are experiencing. There will be usually be co-mediators if that is logistically possible.

Judith Chambliss - Judith is a Cape George resident. She has been a practicing mediator since 1993, in private practice, with dispute resolution agencies, and for the Multnomah County Court.

Lynn Pierle - Lynn Pierle is a Cape George resident. She has been a volunteer certified mediator with Peninsula and Snohomish Dispute Resolution Centers for 10 years.

Port Townsend mediator #1 - Brief bio TBA

Port Townsend mediator #2 -Brief bio TBA

## THE PROCESS

**Step 1:** If you have a concern about an issue involving a neighbor or Cape George member, your first step would be to contact the Cape George Manager. S/he will discuss the problem with you and will likely inquire if you have communicated directly with your neighbor about it. S/he will suggest that you do so and make some suggestions about how to approach the person and engage in a conversation with him/her. At that time, the Manager may offer you the guide "Tips for Having Difficult Conversations" (available online or paper). S/He may also offer you the option of receiving some coaching or suggestions from one of the mediators to help you prepare for the conversation. (This would be done by telephone and would be a confidential conversation.)

At this point, if you choose not to approach your neighbor directly, you may submit a written complaint to the Manager or you can consider requesting a mediation.

**Step 2:** If you choose to engage in a conversation with the neighbor and s/he is unwilling or if you do talk and you are unable to reach a satisfactory resolution, you can contact the Manager again and choose one of the following:

- a. File a written complaint with the Manager.
- b. Request a mediation. If that is your choice the Manager will contact the other party in your dispute and inquire as to his/her willingness to participate in a mediation. If the other party agrees, the Manager will notify the mediator(s), and arrange a time and place that is agreeable to the parties and the mediators. The Manager will offer you and the other party a document describing the process: "About Mediation." **Note:** If you had chosen to receive coaching prior to initiating a conversation with your neighbor, the mediator with whom you have spoken will NOT be the mediator who facilitates the mediation process.

**Step 3:** The mediation: The mediation will be conducted by one or two mediators. At the outset of the mediation session, the mediator(s) will explain the process, establish confidentiality guidelines, and respond to any questions or concerns you might have. The mediator will request that you sign an "Agreement to Mediate," which affirms your willingness to participate, specifies agreements made about confidentiality and will include a "holds harmless" clause in regard to the mediator and to the Cape George HOA should any legal action be taken in the future. The mediator then guides the process, with the goal of assisting both parties to arrive at a clearer understanding of each other's concerns, needs and goals, as well as negotiate a resolution if possible.

**Step 4:** If an agreement is reached, you and the other party will decide whether you prefer to make that agreement verbally or in writing. If the former, the mediator will assist you in making sure that everyone is clear on the components of the agreement; if the latter, the mediator will assist you in composing a mutually satisfying and clear agreement, which each party will sign. It is then up to the parties to follow through with the contents of the agreement, be it verbal or in writing. If timelines or outcomes are not fulfilled as promised, the following options may be followed:

- a. The parties may return for another session of mediation to work out the concerns (such action might be included in the original agreement).
- b. A written complaint can be filed with the Manager, which will be handled via the established processes per Cape George Colony Club HOA rules and regulations.

#### **ADDITIONAL INFORMATION TO CONSIDER**

1. Mediated agreements are not legally binding.
2. The mediator will hold confidential all content of the mediation session(s).
3. Should there be any legal or grievance proceedings resulting from the dispute at any point in the process described above, the mediator will not participate any way, nor will s/he or Cape George HOA be held responsible for or be involved in any legal action taken.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
March 10, 2016  
7:00 PM

**President Richard Hilfer called the meeting to order at 7:00 p.m.**

**Welcome**

Request for proposals for the pool dehumidification system have gone out to 6 vendors.

**In Attendance:** Karen Krug, Carol Wood, Richard Hilfer, Katie Habegger, Leslie Fellner, Michael Hinojos and Ray Pierson

**Action on Minutes:** Katie Habegger moved and Leslie Fellner seconded to approve the minutes of the Regular Board Meeting February 11, 2016. Passed - 6/0

**Membership Report:** Katie Habegger - There are no new members in February.

**Treasurers Report:** Karen Krug

**TREASURER'S REPORT  
As of February 29, 2016**

*A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website and are also available for review in the office.*

**2015 AUDIT:**

The 2015 external financial audit is nearly complete. A preliminary version suggests there will be little change to the final pre-audit operating results of the three cost centers. The final audited financial statements as well as a recommendation for any final excess cash transfer will be available in April. The Internal Control report that is part of the every audit mentions the half-year lapse in payroll review as well as several reimbursement transfers, from reserves to operations, that should have occurred at year end but did not. The 2015 Federal tax return shows a tax liability of about \$1,000.

Once audit entries are posted, January and February financials will be rerun to incorporate those minor changes. This process occurs every year once the audit is finalized.

**2016 Balance Sheet comments:**

Bank statements from all financial institutions have been received and reviewed and all accounts have been reconciled. As of the end of February, no bank held funds in excess of FDIC/NCUA limits. A new account at 1st Security Bank has been opened to help mitigate future problems with excess balances.

It is expected that prior to closing March financial activities, all but the Berm special assessment account will be finalized and closed.

**2016 Income Statement comments:**

It is very early in the fiscal year but with a few minor exceptions, things appear to be in sync with budgeted expectations.

Marina revenues area about \$3,000 behind budget for the year. While to early to cause much concern, it is an area that bears careful observation since virtually all of the Marina's major revenues are generated during the first two months of the fiscal year.

**CAPE GEORGE COLONY CLUB**  
**BOARD OF TRUSTEES MEETING**  
**March 10, 2016**  
**7:00 PM**

**CAPE GEORGE COLONY CLUB**

*Balance Sheet as of February 29, 2016 and February 28, 2015*

<b>Assets</b>	<b>2016</b>	<b>2015</b>	<b>Liabilities and Fund Balances</b>	<b>2016</b>	<b>2015</b>
<b>Cash and Cash Equivalents:</b>					
Operating Fund Checking	\$ 235,096	\$ 177,397	Current Liabilities:		
Operating Investment-Savings	70,070	70,043	Accounts Payable & Other Liabilities	\$ 18,101	\$ 14,321
Petty Cash (2 accounts)	600	600	Unearned Income General/Water/Etc.	79,090	71,803
Reserves - General, Water & Marina	606,238	403,726	Unearned Income Other	-	384
Special Assmnts(Berm/Sseawall)	7,412	68,274	Unearned Income Marina Wait List	1,050	900
<b>Routine Reserve Assessment**</b>	<b>44,523</b>	<b>42,731</b>	Due to General Reserve (Loan)	<u>2,323</u>	<u>50,085</u>
<b>Total Cash &amp; Equivalents</b>	<b>963,939</b>	<b>762,771</b>	<b>Total Current Liabilities</b>	<b>100,564</b>	<b>137,493</b>
Net Accounts Receivable	6,466	6,627	North Seawall Assessment Liability	-	-
Due from S. Seawall Reserve (Loan)	2,323	50,085	South Seawall Assessment Liability	-	-
Net SpclAssmnts Receivable	(38)	29,840	<b>FUND BALANCES:</b>		
<b>Total Net Fixed Assets</b>	<b>1,762,432</b>	<b>1,776,039</b>	Fund Balances (Combined)	2,502,545	2,352,351
Total Prepaid & Other Assets	14,763	16,832	Modified Cash Basis CY Income*	<u>146,776</u>	<u>152,350</u>
<b>TOTAL ASSETS</b>	<b>\$2,749,885</b>	<b>\$2,642,194</b>	<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,749,885</b>	<b>\$ 2,642,194</b>

*Summary Revenue and Expense Statements for the periods ended February 29 and 28 respectively (Modified Cash Basis)*

<b>2016 Year to Date</b>					<b>COMPARATIVE</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>		<b>2016 YTD</b>	<b>2015 YTD</b>	<b>Variance</b>	<b>%</b>
General Assessment	\$ 71,602	\$ 71,602	-	0%	General Assessment	\$ 71,602	\$ 71,602	\$ -	0%
Revenue - All Other Sources	2,355	1,622	733	45%	Revenue - All Other Sources	2,355	1,756	599	34%
<b>Total General Revenue</b>	<b>73,957</b>	<b>73,224</b>	<b>733</b>		<b>Total General Revenue</b>	<b>73,957</b>	<b>73,358</b>	<b>599</b>	
<b>Expenses:</b>					<b>Expenses:</b>				
Salaries, Benefits, PR Tax	20,166	23,176	3,010	13%	Salaries, Benefits, PR Tax	20,166	19,960	(206)	-1%
Repairs & Maintenance	2,098	3,762	1,664	44%	Repairs & Maintenance	2,098	1,105	(993)	-90%
Contracted Services	7,355	5,523	(1,832)	-33%	Contracted Services	7,355	6,832	(523)	-8%
Insurance	3,133	3,570	437	12%	Insurance	3,133	3,722	589	16%
Pool Expense	2,424	3,417	993	29%	Pool Expense	2,424	1,450	(974)	-67%
Other Expenses (incl taxes)	2,826	4,162	1,336	32%	Other Expenses (incl taxes)	2,826	3,092	266	9%
<b>Total General Expenses</b>	<b>38,002</b>	<b>43,610</b>	<b>3,279</b>		<b>Total General Expenses</b>	<b>38,002</b>	<b>36,161</b>	<b>(1,133)</b>	
<b>General Net Income</b>	<b>\$ 35,955</b>	<b>\$ 29,614</b>	<b>\$ 6,341</b>	21%	<b>General Net Income</b>	<b>\$ 35,955</b>	<b>\$ 37,197</b>	<b>\$ (1,242)</b>	-3%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 45,990	\$ 45,990	\$ -	0%	Revenue - Water Use Fees	\$ 45,990	\$ 45,990	\$ -	0%
Revenue - All Other Sources	2,305	2,000	305	15%	Revenue - All Other Sources	2,305	3,254	(949)	-29%
<b>Total Water Revenue</b>	<b>48,295</b>	<b>47,990</b>	<b>305</b>		<b>Total Water Revenue</b>	<b>48,295</b>	<b>49,244</b>	<b>(949)</b>	
<b>Expenses:</b>					<b>Expenses:</b>				
Salaries, Benefits, PR Tax	9,348	10,536	1,188	11%	Salaries, Benefits, PR Tax	9,348	9,264	(84)	-1%
Repairs & Maintenance	(845)	1,796	2,641	147%	Repairs & Maintenance	(845)	210	1,055	502%
Contracted Services	3,522	2,890	(632)	-22%	Contracted Services	3,522	3,325	(197)	-6%
Insurance	1,644	1,874	230	12%	Insurance	1,644	1,982	338	17%
Other Expenses (incl taxes)	7,460	7,800	340	4%	Other Expenses (incl taxes)	7,460	5,143	(2,317)	-45%
<b>Total Water Expenses</b>	<b>21,129</b>	<b>24,896</b>	<b>3,767</b>		<b>Total Water Expenses</b>	<b>21,129</b>	<b>19,824</b>	<b>(1,205)</b>	
<b>Water Net Income</b>	<b>\$ 27,166</b>	<b>\$ 23,094</b>	<b>\$ 4,072</b>	18%	<b>Water Net Income</b>	<b>\$ 27,166</b>	<b>\$ 29,320</b>	<b>\$ (2,154)</b>	-7%
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 52,387	\$ 55,500	\$ (3,113)	-6%	Revenue - Moorage/Parking	\$ 52,387	\$ 53,776	\$ (1,389)	-3%
Revenue - All Other Sources	7,723	8,215	\$ (492)	-6%	Revenue - All Other Sources	7,723	7,905	(182)	-2%
<b>Total Marina Revenue</b>	<b>60,110</b>	<b>63,715</b>	<b>(3,605)</b>		<b>Total Marina Revenue</b>	<b>60,110</b>	<b>61,681</b>	<b>(1,571)</b>	
<b>Expenses:</b>					<b>Expenses:</b>				
Salaries, Benefits, PR Tax	2,080	2,297	217	9%	Salaries, Benefits, PR Tax	2,080	2,051	(29)	-1%
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<b>Total Marina Expenses</b>	<b>6,590</b>	<b>7,203</b>	<b>613</b>		<b>Total Marina Expenses</b>	<b>6,590</b>	<b>5,728</b>	<b>(862)</b>	
<b>Marina Net Income</b>	<b>\$ 53,520</b>	<b>\$ 56,512</b>	<b>\$ (2,992)</b>	-5%	<b>Marina Net Income</b>	<b>\$ 53,520</b>	<b>\$ 55,953</b>	<b>\$ (2,433)</b>	-4%
<b>Routine Reserve</b>	<b>29,790</b>	<b>29,790</b>	<b>-</b>		<b>Routine Reserve</b>	<b>29,790</b>	<b>29,790</b>	<b>0</b>	
Spcl Assmnt Income/Exp	258	-	258		Spcl Assmnt Income/Exp	258	1	257	
Reserve Interest - all	85	11	74		Reserve Interest - all	85	90	(5)	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 146,776</b>	<b>\$ 139,021</b>	<b>\$ 7,495</b>	6%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 146,773</b>	<b>\$ 152,349</b>	<b>\$ (5,834)</b>	-4%

\*\*Modified Cash Basis, Excludes Depreciation

BCA 02/11/15

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING

March 10, 2016

7:00 PM

**Manager's Report:** Art Burke

The majority of the floor surfaces in the Cape George office have been replaced. This included the upstairs and downstairs carpet and tile entryway.

Clubhouse carpet was cleaned and tile floor was strip and waxed.

Request for proposals for the pool dehumidification system has been completed and delivered to 6 contractors.

I have been working with our HVAC contractor, Peninsula Heat, on locating a replacement part for the propane boiler that provides heat to the pool building.

I have received notification from the WA State Dept. of Ecology that we have received approval for our application for increased water rights. As much as this would seem like the final step, there is one final 30 day appeal period. Since there were no comments received during the 30 day public notice period, it is unlikely that an appeal will be received. Thus at the end of the 30 day appeal period (April 2<sup>nd</sup>), the application will go into effect and the permit will be issued.

The entrance sign to the Colony is undergoing renovations to repair some rotting letters and boards. Thanks to John Hanks for taking this project on.

Projects being worked on by the Office Administrator:

- Produced a tracking / receipt for daily launch people.
- Writing new procedures for bank deposits with Chase.
- Continuing to add to the safety manual

Projects being worked on by the Caretaker:

- Additional work is underway to treat mold growth in the pool building.

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

- Hedge complaint in the Colony.

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Water, Building, Pool, Workshop and Marina

The reports are attached to these minutes and incorporated by reference.

**Information Items:**

**A.** The Trustees directed the manager to publish the proposed addition to Cape George rule MIS04 Complaint Procedures in the April newsletter and request comment from members. Any comments received shall be brought to the April Study Session for review.

**B.** The Trustees directed the manager to work with the interested parties on finding an appropriate location for a replacement horseshoe court.

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**C.** Board President Richard Hilfer provided an update on the process underway to replace corporate counsel for Cape George. Four proposals have been received and an Ad hoc committee made up of Carol Wood, Jan Stone, Barbara Barnhart and Richard Hilfer are reviewing the documents with the intent of making a recommendation to the Trustees in April.

**D.** The Manager provided an update on the proposed Verizon cell tower. A site visit was conducted February 19<sup>th</sup> to assess the geology of the proposed area and conduct preliminary survey work. During the meeting it was re-emphasized that the degree that cell signal strength and coverage would be improved in our community would be a determining factor in our interest in moving forward.

**Member participation:** None

**New Business Action Items:**

**Motion 1:** Ray Pierson moved and Michael Hinojos seconded to increase previously approved expenditure for the replacement of office carpet from \$8,200.00 to \$8,323.82. Passed -6/0

**Motion 2:** Ray Pierson moved and Carol Wood seconded to approve Resolution 3/01/16 to transfer \$8,323.82 from General Reserves to Operations checking for replacement of the office carpet, Strait Flooring-\$8,323.82. Passed -6/0

**Motion 3:** Michael Hinojos moved and Ray Pierson seconded to accept the resignation of Workshop Committee Chair Ken Owen and appoint Marta Favati as the new Chair. Passed – 6/0

**Motion 4:** Leslie Fellner moved and Katie Habegger seconded to transfer \$942.00 from General Reserves to Operations Checking Account for the pool septic system modification, as outlined in Resolution 3/02/16. Passed – 6/0

**Motion 5:** Katie Habegger moved and Michael Hinojos seconded to approve Resolution 3/03/16 to transfer \$2,511.31 from General Reserves to Operations Checking for Shoreline Berm Project: 2015 Jefferson County Public Works permit \$1,052.45, 2015 A+ Equipment Rental \$58.86, 2013 Jefferson County Community Development \$380.00, 2014 Marina Surveys & Assessments \$1,020.00 – these expenditures should have been transferred in prior years. Passed – 6/0

**Motion 6:** Karen Krug moved and Katie Habegger seconded, since the Trustees have received copies of all pertinent 2015 audit documents as prepared by Cagianut & Company, CPA, that the Board approve the General Representation letter, the Legal Representation letter, the Post-Audit Inquiry letter, and the draft financial statements with notes and supplemental information thereto. Passed – 6/0

**Motion 7:** Karen Krug moved and Michael Hinojos seconded that the Board accept the 2015 Internal Control Report as provided by Cagianut & Company, CPA. Passed – 6/0

**Motion 8:** Karen Krug moved and Ray Pierson seconded that the Board approve the 2015 Federal 1120-H tax returned as prepared on behalf of Cape George by Cagianut & Company, CPA. Passed – 6/0

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**Open Board Discussion:** It was brought to the attention of the Board that several members of the community have registered their homes on Air B&B, a nightly rental website. The Art Burke and Rich Hilfer will draft a letter to these members.

**Announcements:**

- A. Study Session – April 12, 2016 3:00 P.M.
- B. Board Meeting – April 14, 2016 7:00 P.M.

**Adjournment:** Michael Hinojos moved and Katie Habegger seconded to adjourn the regular session at 7:42 pm. Passed – 6/0

**Submitted by:**

**Approved by:**

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Ray Pierson, Vice President

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Richard Hilfer, President

**Committee reports:**

**WATER ADVISORY COMMITTEE –March 1,2016**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water Manager; Larry Southwick, Committee Chair; and members Scott James and Stewart Pugh.

1. Water rights – nothing new to report, waiting for DOE to complete the public review process before final approval. See last month’s discussion.
2. Highland Booster Pump Controller – project successfully completed. Stew proposed adding a data collection device that would record the flow meter readings at frequent intervals, e.g., every 10 minutes, for a one year period. That data could then be used for a program that would detect anomalies in flows such as large leaks or breaks and trigger an alarm.
3. Backflow / Cross Connection – nothing new until we begin the next cycle of testing.
4. Well #4 – project completed but did have a problem with the well meter which they replaced with a new one.

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5. Regarding the owner that refused to pay the water charges on the annual assessment. She wrote a letter to the Board and then failed to attend the meeting to discuss it. She hasn't provided a phone number for contact so Art wrote her a letter with no response yet. As far a payment goes, a partial payment goes first to water so that's actually paid up, contrary to her intention, but her general assessment is not fully paid which could trigger enforcement procedures on that delinquency.

6. The Board waived the overage charges for the water leak at a Huckleberry residence because the owner took actions to correct it as soon as it was discovered and use returned to normal.

7. Stew will be updating the engineering drawings for the Ed Skowrya Memorial Water Facilities in response to a member who is developing a GIS program for Cape George Emergency Preparedness. The plans show all of the facilities and particularly the valves that would need to be shut off in case of an emergency. That lead to a broader discussion about emergency preparedness procedures for the water system itself, i.e. who does what to bring the water system back on line after an emergency shut down. That's a good project for us to work on. Greg and Larry will get it started.

8. Greg reported that the Dept. of Health will be doing a Sanitary Survey of our water system on April 20. That includes a physical inspection of facilities and operations as well as a review of our record keeping. There is a checklist for the survey so we can be prepared.

The next meeting will be on April 5, 2016 at 5 pm at the Office.

**Building Committee – March 1, 2016**

Building Permit Issued:

Tom Gambill, 222 N Rhododendron Dr, Colony, build a new single family residence.

Excavation Permit Issued:

Tom Gambill, 222 N Rhododendron Dr, Colony, excavate & backfill for nsfr, utilities & septic system.

**Pool Committee – February 10, 2016**

**In attendance:** Art Burke, Rocky D'Acquisto – Chair, Leslie Fellner, Mary Hilfer, Marta Krissovich, Norma Lupkes

The current Pool Committee Treasury amount is \$2,300.58. These funds are not a part of Cape George Colony Club Homeowner's Association.

Marta Krissovich, a regular pool user, was welcomed as a new member of the Pool Committee.

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The long-awaited dehumidification system for the pool and ultimately the building was discussed. Art is 80% complete on Request for Proposal (RFPs) to be sent to vendors/contractors for the project.

There was discussion about whether a sauna could fit inside the pool building. Rocky has done some investigation and shared a brochure from Costco with a couple of possibilities. The question is whether the area inside the pool area will accommodate a sauna. Art & Rocky will pursue some precise measurements to determine the feasibility of this project.

Discussion followed about the St Patrick's Day fund-raiser on March 19. Marta has graciously offered to chair this event. It will again be a potato bar with all the condiments, salad, dessert and soft drink. Due to a recent Board of Directors directive, it will be BYOB. The charge will be \$10. The possibility of music during the event will be pursued. A raffle item will be offered with tickets selling for 1\$ or 6 for 5\$. The raffle item will be donated by Rocky and will be a *major fishing package*, including rod, reel, and other exciting items. The tickets will be sold prior to the event and you need not be present to win. Art will work with Rocky on a flyer for the package to encourage sales.

Next meeting: Mar 2, 2016 3:00 in the Clubhouse  
Respectfully submitted, Norma Lupkes

**Workshop Committee – March 1, 2016**

Agenda topics were as follows:

- Status of purchase of a new generator. Another fundraiser will be held to meet the goal for this purchase. A future article will be placed in the newsletter.
- Ken Owen stepped down as chairperson of the workshop. Nominated and unanimously voted on was Marta Favati as the new chairperson of the workshop during the Marina Committee meeting.

**Marina Committee – March 1, 2016**

**THE MARINA NEEDS YOUR USED BOATING AND EQUIPEMNT FOR THE UPCOMING MARINA SALE.  
LOOK FOR CONTACT INFO ON THE BULLITEN BOARDS.**

Attendees: Cape George Manager Art Burke, Marina Harbormaster , Penny Jensen, Marina Chair, Craig Muma, and Board Liaison, Ray Pierson. Marina Committee: Paul Happel, Marta Favati, Tom Cawrse, Richard Woodcock, Scott Munson, Sandy Guilin, Stewart Pugh, Mac McDonald, Jack Scherting, Bob Schlentner, Chuck Hommel, Jim Bodkin, Arch Bickling, Ken Owen, John Hanks

The meeting was called to order at 11:00 am by Harbormaster Penny Jensen.

Welcome back Harbormaster, Penny Jensen. Special thanks to Mac McDonald for acting as Harbormaster in Penny's absence. Congratulations to Craig Muma for taking the Marina Committee Chair position. Penny thanked the winter marina crew for their hard work keeping the marina going

CAPE GEORGE COLONY CLUB  
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during the winter and Marta for keeping the shop in tiptop condition. The Marina Memorial Fund has \$4,739.77 (this account does not belong to Cape George Colony Club), and the Reserve account has \$41,859. Jack Sherting gave the marina committee a run down on fishing and the rules on the water. The county fireboat is no longer in the marina. It may be parked in the boat trailer lot. The Marina Committee is working with Art Burke on the location design of the BBQ grills and fire ring. John Hanks, Mac McDonald and Jack Scherting will work with Art on the placement of these facilities. We will now have Guest Passes to be displayed on vehicles and boats using Guest Moorage. A slip is available on "I" dock for an 18-21' boat. The community is looking at a short and long-term solution to improve the road to the boat parking lot. In the short term the potholes will be filled in, the long-term solution will take engineering and funds to complete. A contractor will look at the road with Art and come up with some solutions. Within two weeks a diver will inspect the two mooring buoys to determine their condition. The water has been turned on to the north and south docks. A sign-up sheet will be available in the marina office for the upcoming marina sale. March 11 a contractor will look at our existing electrical system and pedestals to determine what is needed to upgrade the system and replace the antiquated electrical system for the marina. Jim Bodkin is continuing the sailing competition around Protection Island. The best time so far was 4 hours 28 minutes and 1 second made by Jim Bodkin and Bob Tilley in the 36' Cape Dory 36 sailboat Kellee. The "Race 2 Alaska" is looking for support boats for the first part of the journey from Port Townsend to Victoria. Marina Committee Chair Craig Muma was a sweep boat for last year's race. Thanks to Ken Owen for welding security fixtures around the south marina gate. Scott Munson donated a electric water pump as a emergency boat pump for the marina. The marina is experiencing thefts and unauthorized persons visiting the marina. A security surveillance system is being looked into as a way to catch wrong doers and bring them to justice. Craig Muma will research systems and present them at the next meeting. Ken Owen stepped down as the Community Shop Chairperson and Marta Favati volunteered to be the chairperson when approved by the CG Board of Directors. Marta is working on a fundraiser to add to funds of a previous event to buy and emergency generator to be used for the clubhouse if a disaster befalls the community.

Meeting adjourned at 11:55 am-Paul Happel, Faithful Scribe

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BOARD OF TRUSTEES MEETING  
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**President Richard Hilfer called the meeting to order at 7:00 p.m.**

**Welcome**

Request for proposals for the pool dehumidification system have gone out to 6 vendors.

**In Attendance:** Karen Krug, Carol Wood, Richard Hilfer, Katie Habegger, Leslie Fellner, Michael Hinojos and Ray Pierson

**Action on Minutes:** Katie Habegger moved and Leslie Fellner seconded to approve the minutes of the Regular Board Meeting February 11, 2016. Passed - 6/0

**Membership Report:** Katie Habegger - There are no new members in February.

**Treasurers Report:** Karen Krug

**TREASURER'S REPORT  
As of February 29, 2016**

*A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website and are also available for review in the office.*

**2015 AUDIT:**

The 2015 external financial audit is nearly complete. A preliminary version suggests there will be little change to the final pre-audit operating results of the three cost centers. The final audited financial statements as well as a recommendation for any final excess cash transfer will be available in April. The Internal Control report that is part of the every audit mentions the half-year lapse in payroll review as well as several reimbursement transfers, from reserves to operations, that should have occurred at year end but did not. The 2015 Federal tax return shows a tax liability of about \$1,000.

Once audit entries are posted, January and February financials will be rerun to incorporate those minor changes. This process occurs every year once the audit is finalized.

**2016 Balance Sheet comments:**

Bank statements from all financial institutions have been received and reviewed and all accounts have been reconciled. As of the end of February, no bank held funds in excess of FDIC/NCUA limits. A new account at 1st Security Bank has been opened to help mitigate future problems with excess balances.

It is expected that prior to closing March financial activities, all but the Berm special assessment account will be finalized and closed.

**2016 Income Statement comments:**

It is very early in the fiscal year but with a few minor exceptions, things appear to be in sync with budgeted expectations.

Marina revenues area about \$3,000 behind budget for the year. While to early to cause much concern, it is an area that bears careful observation since virtually all of the Marina's major revenues are generated during the first two months of the fiscal year.

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**CAPE GEORGE COLONY CLUB**

*Balance Sheet as of February 29, 2016 and February 28, 2015*

Assets	2016	2015	Liabilities and Fund Balances	2016	2015
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 235,096	\$ 177,397	Accounts Payable & Other Liabilities	\$ 18,101	\$ 14,321
Operating Investment-Savings	70,070	70,043	Unearned Income General/Water/Etc.	79,090	71,803
Petty Cash (2 accounts)	600	600	Unearned Income Other	-	384
Reserves - General, Water & Marina	606,238	403,726	Unearned Income Marina Wait List	1,050	900
Special Assmnts(Berm/Sseawall)	7,412	68,274	Due to General Reserve (Loan)	2,323	50,085
<b>Routine Reserve Assessment**</b>	<b>44,523</b>	<b>42,731</b>	<b>Total Current Liabilities</b>	<b>100,564</b>	<b>137,493</b>
<b>Total Cash &amp; Equivalents</b>	<b>963,939</b>	<b>762,771</b>			
Net Accounts Receivable	6,466	6,627	North Seawall Assessment Liability	-	-
Due from S. Seawall Reserve (Loan)	2,323	50,085	South Seawall Assessment Liability	-	-
Net SpclAssmnts Receivable	(38)	29,840			
<b>Total Net Fixed Assets</b>	<b>1,762,432</b>	<b>1,776,039</b>	<b>FUND BALANCES:</b>		
Total Prepaid & Other Assets	14,763	16,832	Fund Balances (Combined)	2,502,545	2,352,351
			Modified Cash Basis CY Income*	146,776	152,350
<b>TOTAL ASSETS</b>	<b>\$2,749,885</b>	<b>\$2,642,194</b>	<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,749,885</b>	<b>\$ 2,642,194</b>

*Summary Revenue and Expense Statements for the periods ended February 29 and 28 respectively (Modified Cash Basis)*

2016 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2016 YTD	2015 YTD	Variance	%
General Assessment	\$ 71,602	\$ 71,602	-	0%	General Assessment	\$ 71,602	\$ 71,602	-	0%
Revenue - All Other Sources	2,355	1,622	733	45%	Revenue - All Other Sources	2,355	1,756	599	34%
<b>Total General Revenue</b>	<b>73,957</b>	<b>73,224</b>	<b>733</b>		<b>Total General Revenue</b>	<b>73,957</b>	<b>73,358</b>	<b>599</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	20,166	23,176	3,010	13%	Salaries, Benefits, PR Tax	20,166	19,960	(206)	-1%
Repairs & Maintenance	2,098	3,762	1,664	44%	Repairs & Maintenance	2,098	1,105	(993)	-90%
Contracted Services	7,355	5,523	(1,832)	-33%	Contracted Services	7,355	6,832	(523)	-8%
Insurance	3,133	3,570	437	12%	Insurance	3,133	3,722	589	16%
Pool Expense	2,424	3,417	993	29%	Pool Expense	2,424	1,450	(974)	-67%
Other Expenses (incl taxes)	2,826	4,162	1,336	32%	Other Expenses (incl taxes)	2,826	3,092	266	9%
<b>Total General Expenses</b>	<b>38,002</b>	<b>43,610</b>	<b>3,279</b>		<b>Total General Expenses</b>	<b>38,002</b>	<b>36,161</b>	<b>(1,133)</b>	
<b>General Net Income</b>	<b>\$ 35,955</b>	<b>\$ 29,614</b>	<b>\$ 6,341</b>	21%	<b>General Net Income</b>	<b>\$ 35,955</b>	<b>\$ 37,197</b>	<b>\$ (1,242)</b>	-3%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 45,990	\$ 45,990	-	0%	Revenue - Water Use Fees	\$ 45,990	\$ 45,990	-	0%
Revenue - All Other Sources	2,305	2,000	305	15%	Revenue - All Other Sources	2,305	3,254	(949)	-29%
<b>Total Water Revenue</b>	<b>48,295</b>	<b>47,990</b>	<b>305</b>		<b>Total Water Revenue</b>	<b>48,295</b>	<b>49,244</b>	<b>(949)</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	9,348	10,536	1,188	11%	Salaries, Benefits, PR Tax	9,348	9,264	(84)	-1%
Repairs & Maintenance	(845)	1,796	2,641	147%	Repairs & Maintenance	(845)	210	1,055	502%
Contracted Services	3,522	2,890	(632)	-22%	Contracted Services	3,522	3,325	(197)	-6%
Insurance	1,644	1,874	230	12%	Insurance	1,644	1,982	338	17%
Other Expenses (incl taxes)	7,460	7,800	340	4%	Other Expenses (incl taxes)	7,460	5,143	(2,317)	-45%
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<b>Routine Reserve</b>	<b>29,790</b>	<b>29,790</b>	<b>-</b>		<b>Routine Reserve</b>	<b>29,790</b>	<b>29,790</b>	<b>0</b>	
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BCA 02/11/16

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING

March 10, 2016

7:00 PM

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Clubhouse carpet was cleaned and tile floor was strip and waxed.

Request for proposals for the pool dehumidification system has been completed and delivered to 6 contractors.

I have been working with our HVAC contractor, Peninsula Heat, on locating a replacement part for the propane boiler that provides heat to the pool building.

I have received notification from the WA State Dept. of Ecology that we have received approval for our application for increased water rights. As much as this would seem like the final step, there is one final 30 day appeal period. Since there were no comments received during the 30 day public notice period, it is unlikely that an appeal will be received. Thus at the end of the 30 day appeal period (April 2<sup>nd</sup>), the application will go into effect and the permit will be issued.

The entrance sign to the Colony is undergoing renovations to repair some rotting letters and boards. Thanks to John Hanks for taking this project on.

Projects being worked on by the Office Administrator:

- Produced a tracking / receipt for daily launch people.
- Writing new procedures for bank deposits with Chase.
- Continuing to add to the safety manual

Projects being worked on by the Caretaker:

- Additional work is underway to treat mold growth in the pool building.

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

- Hedge complaint in the Colony.

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Water, Building, Pool, Workshop and Marina

The reports are attached to these minutes and incorporated by reference.

**Information Items:**

**A.** The Trustees directed the manager to publish the proposed addition to Cape George rule MIS04 Complaint Procedures in the April newsletter and request comment from members. Any comments received shall be brought to the April Study Session for review.

**B.** The Trustees directed the manager to work with the interested parties on finding an appropriate location for a replacement horseshoe court.

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**C.** Board President Richard Hilfer provided an update on the process underway to replace corporate counsel for Cape George. Four proposals have been received and an Ad hoc committee made up of Carol Wood, Jan Stone, Barbara Barnhart and Richard Hilfer are reviewing the documents with the intent of making a recommendation to the Trustees in April.

**D.** The Manager provided an update on the proposed Verizon cell tower. A site visit was conducted February 19<sup>th</sup> to assess the geology of the proposed area and conduct preliminary survey work. During the meeting it was re-emphasized that the degree that cell signal strength and coverage would be improved in our community would be a determining factor in our interest in moving forward.

**Member participation:** None

**New Business Action Items:**

**Motion 1:** Ray Pierson moved and Michael Hinojos seconded to increase previously approved expenditure for the replacement of office carpet from \$8,200.00 to \$8,323.82. Passed -6/0

**Motion 2:** Ray Pierson moved and Carol Wood seconded to approve Resolution 3/01/16 to transfer \$8,323.82 from General Reserves to Operations checking for replacement of the office carpet, Strait Flooring-\$8,323.82. Passed -6/0

**Motion 3:** Michael Hinojos moved and Ray Pierson seconded to accept the resignation of Workshop Committee Chair Ken Owen and appoint Marta Favati as the new Chair. Passed – 6/0

**Motion 4:** Leslie Fellner moved and Katie Habegger seconded to transfer \$942.00 from General Reserves to Operations Checking Account for the pool septic system modification, as outlined in Resolution 3/02/16. Passed – 6/0

**Motion 5:** Katie Habegger moved and Michael Hinojos seconded to approve Resolution 3/03/16 to transfer \$2,511.31 from General Reserves to Operations Checking for Shoreline Berm Project: 2015 Jefferson County Public Works permit \$1,052.45, 2015 A+ Equipment Rental \$58.86, 2013 Jefferson County Community Development \$380.00, 2014 Marina Surveys & Assessments \$1,020.00 – these expenditures should have been transferred in prior years. Passed – 6/0

**Motion 6:** Karen Krug moved and Katie Habegger seconded, since the Trustees have received copies of all pertinent 2015 audit documents as prepared by Cagianut & Company, CPA, that the Board approve the General Representation letter, the Legal Representation letter, the Post-Audit Inquiry letter, and the draft financial statements with notes and supplemental information thereto. Passed – 6/0

**Motion 7:** Karen Krug moved and Michael Hinojos seconded that the Board accept the 2015 Internal Control Report as provided by Cagianut & Company, CPA. Passed – 6/0

**Motion 8:** Karen Krug moved and Ray Pierson seconded that the Board approve the 2015 Federal 1120-H tax returned as prepared on behalf of Cape George by Cagianut & Company, CPA. Passed – 6/0

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**Open Board Discussion:** It was brought to the attention of the Board that several members of the community have registered their homes on Air B&B, a nightly rental website. The Art Burke and Rich Hilfer will draft a letter to these members.

**Announcements:**

- A. Study Session – April 12, 2016 3:00 P.M.
- B. Board Meeting – April 14, 2016 7:00 P.M.

**Adjournment:** Michael Hinojos moved and Katie Habegger seconded to adjourn the regular session at 7:42 pm. Passed – 6/0

**Submitted by:**

**Approved by:**

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Ray Pierson, Vice President

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Richard Hilfer, President

**Committee reports:**

**WATER ADVISORY COMMITTEE –March 1,2016**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water Manager; Larry Southwick, Committee Chair; and members Scott James and Stewart Pugh.

1. Water rights – nothing new to report, waiting for DOE to complete the public review process before final approval. See last month’s discussion.
2. Highland Booster Pump Controller – project successfully completed. Stew proposed adding a data collection device that would record the flow meter readings at frequent intervals, e.g., every 10 minutes, for a one year period. That data could then be used for a program that would detect anomalies in flows such as large leaks or breaks and trigger an alarm.
3. Backflow / Cross Connection – nothing new until we begin the next cycle of testing.
4. Well #4 – project completed but did have a problem with the well meter which they replaced with a new one.

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5. Regarding the owner that refused to pay the water charges on the annual assessment. She wrote a letter to the Board and then failed to attend the meeting to discuss it. She hasn't provided a phone number for contact so Art wrote her a letter with no response yet. As far a payment goes, a partial payment goes first to water so that's actually paid up, contrary to her intention, but her general assessment is not fully paid which could trigger enforcement procedures on that delinquency.

6. The Board waived the overage charges for the water leak at a Huckleberry residence because the owner took actions to correct it as soon as it was discovered and use returned to normal.

7. Stew will be updating the engineering drawings for the Ed Skowrya Memorial Water Facilities in response to a member who is developing a GIS program for Cape George Emergency Preparedness. The plans show all of the facilities and particularly the valves that would need to be shut off in case of an emergency. That lead to a broader discussion about emergency preparedness procedures for the water system itself, i.e. who does what to bring the water system back on line after an emergency shut down. That's a good project for us to work on. Greg and Larry will get it started.

8. Greg reported that the Dept. of Health will be doing a Sanitary Survey of our water system on April 20. That includes a physical inspection of facilities and operations as well as a review of our record keeping. There is a checklist for the survey so we can be prepared.

The next meeting will be on April 5, 2016 at 5 pm at the Office.

**Building Committee – March 1, 2016**

Building Permit Issued:

Tom Gambill, 222 N Rhododendron Dr, Colony, build a new single family residence.

Excavation Permit Issued:

Tom Gambill, 222 N Rhododendron Dr, Colony, excavate & backfill for nsfr, utilities & septic system.

**Pool Committee – February 10, 2016**

**In attendance:** Art Burke, Rocky D'Acquisto – Chair, Leslie Fellner, Mary Hilfer, Marta Krissovich, Norma Lupkes

The current Pool Committee Treasury amount is \$2,300.58. These funds are not a part of Cape George Colony Club Homeowner's Association.

Marta Krissovich, a regular pool user, was welcomed as a new member of the Pool Committee.

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The long-awaited dehumidification system for the pool and ultimately the building was discussed. Art is 80% complete on Request for Proposal (RFPs) to be sent to vendors/contractors for the project.

There was discussion about whether a sauna could fit inside the pool building. Rocky has done some investigation and shared a brochure from Costco with a couple of possibilities. The question is whether the area inside the pool area will accommodate a sauna. Art & Rocky will pursue some precise measurements to determine the feasibility of this project.

Discussion followed about the St Patrick's Day fund-raiser on March 19. Marta has graciously offered to chair this event. It will again be a potato bar with all the condiments, salad, dessert and soft drink. Due to a recent Board of Directors directive, it will be BYOB. The charge will be \$10. The possibility of music during the event will be pursued. A raffle item will be offered with tickets selling for 1\$ or 6 for 5\$. The raffle item will be donated by Rocky and will be a *major fishing package*, including rod, reel, and other exciting items. The tickets will be sold prior to the event and you need not be present to win. Art will work with Rocky on a flyer for the package to encourage sales.

Next meeting: Mar 2, 2016 3:00 in the Clubhouse  
Respectfully submitted, Norma Lupkes

**Workshop Committee – March 1, 2016**

Agenda topics were as follows:

- Status of purchase of a new generator. Another fundraiser will be held to meet the goal for this purchase. A future article will be placed in the newsletter.
- Ken Owen stepped down as chairperson of the workshop. Nominated and unanimously voted on was Marta Favati as the new chairperson of the workshop during the Marina Committee meeting.

**Marina Committee – March 1, 2016**

**THE MARINA NEEDS YOUR USED BOATING AND EQUIPEMNT FOR THE UPCOMING MARINA SALE.  
LOOK FOR CONTACT INFO ON THE BULLITEN BOARDS.**

Attendees: Cape George Manager Art Burke, Marina Harbormaster , Penny Jensen, Marina Chair, Craig Muma, and Board Liaison, Ray Pierson. Marina Committee: Paul Happel, Marta Favati, Tom Cawrse, Richard Woodcock, Scott Munson, Sandy Guilin, Stewart Pugh, Mac McDonald, Jack Scherting, Bob Schlentner, Chuck Hommel, Jim Bodkin, Arch Bickling, Ken Owen, John Hanks

The meeting was called to order at 11:00 am by Harbormaster Penny Jensen.

Welcome back Harbormaster, Penny Jensen. Special thanks to Mac McDonald for acting as Harbormaster in Penny's absence. Congratulations to Craig Muma for taking the Marina Committee Chair position. Penny thanked the winter marina crew for their hard work keeping the marina going

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during the winter and Marta for keeping the shop in tiptop condition. The Marina Memorial Fund has \$4,739.77 (this account does not belong to Cape George Colony Club), and the Reserve account has \$41,859. Jack Sherting gave the marina committee a run down on fishing and the rules on the water. The county fireboat is no longer in the marina. It may be parked in the boat trailer lot. The Marina Committee is working with Art Burke on the location design of the BBQ grills and fire ring. John Hanks, Mac McDonald and Jack Scherting will work with Art on the placement of these facilities. We will now have Guest Passes to be displayed on vehicles and boats using Guest Moorage. A slip is available on "I" dock for an 18-21' boat. The community is looking at a short and long-term solution to improve the road to the boat parking lot. In the short term the potholes will be filled in, the long-term solution will take engineering and funds to complete. A contractor will look at the road with Art and come up with some solutions. Within two weeks a diver will inspect the two mooring buoys to determine their condition. The water has been turned on to the north and south docks. A sign-up sheet will be available in the marina office for the upcoming marina sale. March 11 a contractor will look at our existing electrical system and pedestals to determine what is needed to upgrade the system and replace the antiquated electrical system for the marina. Jim Bodkin is continuing the sailing competition around Protection Island. The best time so far was 4 hours 28 minutes and 1 second made by Jim Bodkin and Bob Tilley in the 36' Cape Dory 36 sailboat Kellee. The "Race 2 Alaska" is looking for support boats for the first part of the journey from Port Townsend to Victoria. Marina Committee Chair Craig Muma was a sweep boat for last year's race. Thanks to Ken Owen for welding security fixtures around the south marina gate. Scott Munson donated a electric water pump as a emergency boat pump for the marina. The marina is experiencing thefts and unauthorized persons visiting the marina. A security surveillance system is being looked into as a way to catch wrong doers and bring them to justice. Craig Muma will research systems and present them at the next meeting. Ken Owen stepped down as the Community Shop Chairperson and Marta Favati volunteered to be the chairperson when approved by the CG Board of Directors. Marta is working on a fundraiser to add to funds of a previous event to buy and emergency generator to be used for the clubhouse if a disaster befalls the community.

Meeting adjourned at 11:55 am-Paul Happel, Faithful Scribe

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**President Richard Hilfer called the meeting to order at 7:00 p.m.**

**Welcome**

Nominations for two Trustee positions are due by May 12th

**In Attendance:** Karen Krug, Carol Wood, Richard Hilfer, Katie Habegger, Leslie Fellner and Michael Hinojos

**Action on Minutes:** Katie Habegger moved and Leslie Fellner seconded to approve the minutes of the Regular Board Meeting March 10, 2016. Passed - 5/0

**Membership Report:** Katie Habegger - There are no new members in March.

**Treasurer's Report:** Karen Krug

**TREASURER'S REPORT  
As of March 31, 2016**

*A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website and are also available for review in the office.*

**2015 AUDIT:**

The 2015 external financial audit is complete. Two minor adjustments, one for 2015 federal taxes and one to reclassify an expenditure, resulted in changes to overall net income of about \$100 with the changes impacting general operations and marina operations. Based on the audited results, an additional 2015 cash transfer of \$42,238 will be made with \$17,900 to General Reserves; \$15,933 to Water Reserve; and \$8,383 to Marina Reserve.

The two items mentioned in the internal control report have been fixed and corrective action plans developed.

**2016 Balance Sheet comments:**

Bank statements from all financial institutions have been received and reviewed and all accounts have been reconciled. As of the end of February, no bank held funds in excess of FDIC/NCUA limits. A new account at 1st Security Bank has been opened to help mitigate future problems with excess balances.

Cash and cash equivalents have improved nearly \$200,000 over this same period last year. Most of the improvement is of course due to excellent 2015 operating results with some of the remainder due to higher prepayments of 2016 second quarter assessments which are due 4/1/16.

The intra-reserve loan from General Reserves to the South Seawall project shows an outstanding balance of \$2,323. As of March 31, 2016, slightly less than \$1,600 has been collected in past due South Seawall payments and this will be applied to the loan balance. The remaining \$750 of the loan will need to be repaid from general operations.

There are several projects in CIP (construction in progress) that appear to be completed but not yet capitalized, the major repairs to Well #4 and carpeting for the office.

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**2016 Income Statement comments:**

At the end of first quarter most operational activities appear to be reasonable given prior year activities and the current year's budget. Repairs and maintenance in all cost centers are running behind budget but since most of these expenses are incurred in summer and fall and the budget split the total estimate into twelve even pieces this difference will self-correct over time.

**GENERAL OPERATIONS**

General operations was charged with the entire cost, \$4,600, of the 2015 audit. This fee needs to be allocated across all the cost centers in the manner that was budgeted.

A new piece of equipment was purchased for the exercise room at a cost of slightly under \$3,000. Since this was new equipment it is not a reserve expenditure.

**WATER OPERATIONS**

Revenue in water operations is slightly higher than budget due largely to a new water meter. This new service should bring the total count of active water users to 512.

**MARINA OPERATIONS**

Marina revenues are about \$2,600 lower than budget expectations and about \$1,300 lower than last year at this time. There is also one instance of an unpaid moorage charge of \$702 and verbal comments are that collections activities have commenced on that boat.

<b>CAPE GEORGE COLONY CLUB</b>					
<i>Balance Sheet as of March 31, 2016 and 2015</i>					
<b>Assets</b>	<b>2016</b>	<b>2015</b>	<b>Liabilities and Fund Balances</b>	<b>2016</b>	<b>2015</b>
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 235,746	\$ 180,243	Accounts Payable & Other Liabilities	\$ 11,892	\$ 13,852
Operating Investment-Savings	70,074	70,045	Unearned Income General/Water/Etc.	109,130	108,076
Petty Cash (2 accounts)	600	600	Unearned Income Other	-	123
Reserves - General, Water & Marina	597,016	421,255	Unearned Income Marina Wait List	1,050	1,050
Special Assmnts(Berm/Seawall)	4,937	53,836	Due to General Reserve (Loan)	2,323	32,585
Routine Reserve Assessment**	51,314	50,696	<b>Total Current Liabilities</b>	<b>124,395</b>	<b>155,686</b>
<b>Total Cash &amp; Equivalents</b>	<b>959,687</b>	<b>776,675</b>	North Seawall Assessment Liability	-	-
Net Accounts Receivable	4,141	3,422	South Seawall Assessment Liability	-	-
Due from S. Seawall Reserve (Loan)	2,323	32,585	<b>FUND BALANCES:</b>		
Net SpclAssmnts Receivable	225	27,045	Fund Balances (Combined)	2,502,444	2,352,351
Total Net Fixed Assets	1,762,472	1,776,884	Modified Cash Basis CY Income*	113,622	122,036
Total Prepaid & Other Assets	11,613	13,461	<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,740,461</b>	<b>\$ 2,630,073</b>
<b>TOTAL ASSETS</b>	<b>\$2,740,461</b>	<b>\$2,630,072</b>			

*Summary Revenue and Expense Statements for the periods ended March 31, 2016 and 2015 respectively (Modified Cash Basis)*

	2016 Year to Date				COMPARATIVE			
	Actual	Budget	Variance	%	2016 YTD	2015 YTD	Variance	%
General Assessment	\$ 71,602	\$ 71,602	-	0%	\$ 71,602	\$ 71,602	-	0%
Revenue - All Other Sources	3,254	2,432	822	34%	3,254	2,826	428	15%
<b>Total General Revenue</b>	<b>74,856</b>	<b>74,034</b>	<b>822</b>		<b>74,856</b>	<b>74,428</b>	<b>428</b>	
<b>Expenses:</b>								
Salaries, Benefits, PR Tax	31,172	34,764	3,592	10%	31,172	29,924	(1,248)	-4%
Repairs & Maintenance	3,673	5,643	1,970	35%	3,673	2,608	(1,065)	-41%
Contracted Services	9,557	8,265	(1,272)	-15%	9,557	10,148	591	6%
Insurance	4,699	5,356	657	12%	4,699	5,583	884	16%
Pool Expense	4,906	5,125	219	4%	4,906	3,579	(1,327)	-37%
Other Expenses (incl taxes)	7,655	6,241	(1,414)	-23%	7,655	4,999	(2,656)	-53%
<b>Total General Expenses</b>	<b>61,662</b>	<b>65,414</b>	<b>4,947</b>		<b>61,662</b>	<b>56,841</b>	<b>(838)</b>	
<b>General Net Income</b>	<b>\$ 13,194</b>	<b>\$ 8,620</b>	<b>\$ 4,574</b>	<b>53%</b>	<b>\$ 13,194</b>	<b>\$ 17,587</b>	<b>\$ (4,393)</b>	<b>-25%</b>

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<u>Water</u>				
Revenue - Water Use Fees	\$ 45,990	\$ 45,990	\$ -	0%
Revenue - All Other Sources	3,275	2,000	1,275	64%
<b>Total Water Revenue</b>	<b>49,265</b>	<b>47,990</b>	<b>1,275</b>	
Expenses:				
Salaries, Benefits, PR Tax	14,272	15,804	1,532	10%
Repairs & Maintenance	131	2,694	2,563	96%
Contracted Services	4,944	4,335	(609)	-14%
Insurance	2,466	2,811	345	12%
Other Expenses (incl taxes)	9,310	10,138	828	8%
<b>Total Water Expenses</b>	<b>31,123</b>	<b>35,782</b>	<b>4,659</b>	
<b>Water Net Income</b>	<b>\$ 18,142</b>	<b>\$ 12,208</b>	<b>\$ 5,934</b>	<b>49%</b>

<u>Water</u>				
Revenue - Water Use Fees	\$ 45,990	\$ 45,990	\$ -	0%
Revenue - All Other Sources	3,275	3,254	21	1%
<b>Total Water Revenue</b>	<b>49,265</b>	<b>49,244</b>	<b>21</b>	
Expenses:				
Salaries, Benefits, PR Tax	14,272	13,857	(415)	-3%
Repairs & Maintenance	131	313	182	58%
Contracted Services	4,944	4,334	(610)	-14%
Insurance	2,466	2,974	508	17%
Other Expenses (incl taxes)	9,310	7,471	(1,839)	-20%
<b>Total Water Expenses</b>	<b>31,123</b>	<b>28,949</b>	<b>(2,174)</b>	
<b>Water Net Income</b>	<b>\$ 18,142</b>	<b>\$ 20,295</b>	<b>\$ (2,153)</b>	<b>-11%</b>

<u>Marina</u>				
Revenue - Moorage/Parking	\$ 53,329	\$ 55,500	\$ (2,171)	-4%
Revenue - All Other Sources	8,053	8,527	(474)	-6%
<b>Total Marina Revenue</b>	<b>61,382</b>	<b>64,027</b>	<b>(2,645)</b>	
Expenses:				
Salaries, Benefits, PR Tax	3,146	3,445	299	9%
Repairs & Maintenance	795	1,475	680	46%
Contracted Services	804	2,042	1,238	61%
Insurance	1,514	1,584	70	4%
Other Expenses (incl taxes)	3,093	2,163	(930)	-43%
<b>Total Marina Expenses</b>	<b>9,352</b>	<b>10,709</b>	<b>1,357</b>	
<b>Marina Net Income</b>	<b>\$ 52,030</b>	<b>\$ 53,318</b>	<b>\$ (1,288)</b>	<b>-2%</b>

<u>Marina</u>				
Revenue - Moorage/Parking	\$ 53,329	\$ 54,510	\$ (1,181)	-2%
Revenue - All Other Sources	8,053	8,215	(162)	-2%
<b>Total Marina Revenue</b>	<b>61,382</b>	<b>62,725</b>	<b>(1,343)</b>	
Expenses:				
Salaries, Benefits, PR Tax	3,146	3,070	(76)	-2%
Repairs & Maintenance	795	850	55	6%
Contracted Services	804	791	(13)	-2%
Insurance	1,514	1,558	44	3%
Other Expenses (incl taxes)	3,093	2,258	(835)	-35%
<b>Total Marina Expenses</b>	<b>9,352</b>	<b>8,637</b>	<b>(715)</b>	
<b>Marina Net Income</b>	<b>\$ 52,030</b>	<b>\$ 54,188</b>	<b>\$ (2,158)</b>	<b>-4%</b>

Routine Reserve	29,790	29,790	-	
Spcl Assmnt Income/Exp	333	-	333	
Reserve Interest - all	131	16	115	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 113,622</b>	<b>\$ 103,952</b>	<b>\$ 9,670</b>	<b>9%</b>

Routine Reserve	29,790	29,790	0	
Spcl Assmnt Income/Exp	333	(81)	414	
Reserve Interest - all	131	258	(127)	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 113,619</b>	<b>\$ 122,035</b>	<b>\$ (8,416)</b>	<b>-7%</b>

\*\*Modified Cash Basis, Excludes Depreciation

**Manager's Report: Art Burke**

I have received **final** notification from the WA State Dept. of Ecology that we have received approval on our application for increased water rights.

The request for proposal process for the pool dehumidification system replacement project has been completed. We have received three proposals and I have begun the steps to evaluate each.

Repairs have been completed on the replacement of the pool propane boiler burner.

An old patch on the southwest corner of the pool building developed a leak and Hope Roofing was brought in to repair the patch permanently.

I met with the septic designer and a representative from Jefferson County Public Health at the pool septic system to conduct a final inspection of the modification project that occurred earlier this year. The system was approved as designed and installed.

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The first cycle of vacant lot mows got underway this week. If you have a vacant lot and did not elect to have our contractor mow your lot, you must have your lot mowed by April 20<sup>th</sup>.

A window in the fitness room has been replaced as a result of a broken seal.

I've been working with the Marina Committee Chair, Harbormaster and an electrical contractor on developing a preliminary cost estimate on replacement of the marina dock electrical system.

We are working with the Social Club on installing new wall sconces at the Clubhouse.

Work is underway to reinstall the two barbeque grills and replace the large barbeque pit in the area impacted by the shoreline berm project. The fire ring was installed earlier this month by volunteers.

Projects being worked on by the Office Administrator:

- Coordinate vacant lot mow program.

Projects being worked on by the Caretaker:

- Roadside drainage.
- Repairs to the south marina drive.
- Repairs to the Ravine Trail steps.

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

- Injured deer in the Colony.
- Cars traveling in excess of the posted speed in the Village and Colony

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Water, Environmental, Pool, and Marina

The reports are attached to these minutes and incorporated by reference.

**Information Items:**

- A. Discussions concerning the location of a replacement horseshoe court and interest in building a new petanque court occurred. At the conclusion of discussions, President Richard Hilfer established an Ad Hoc Committee to further research the placement of these two courts somewhere in the community. Members assigned include: Dennis Fellner, Marvin Herridge, Carol Wood, Steve Mitchel, Bill Sery and Ron Niccoli.
- B. The Trustees received an update from the Dispute Resolution Ad Hoc Committee. The Committee will return in May with a draft "Agreement to Mediate" form for review. It

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was decided that the Committee will remain in place for the next six months to conduct reviews of the mediation process.

- C. The topic of short term rentals in the community was discussed and it was decided that a legal opinion from corporate counsel would be requested.
- D. The Trustees discussed the Verizon cell tower coverage map and Letter of Authorization (LOA) from Centerline Solutions. They directed the Manager to request changes to the LOA and also a delay in the initiation of zoning activities until after June 1st. It was also decided that a membership meeting should be conducted in May to gather input and address questions. A representative from Verizon will also be invited to answer questions.

**Member participation:** None

**New Business Action Items:**

**Motion 1:** Katie Habegger moved and Michael Hinojos seconded to approve proposed changes to Cape George rule MIS04 Complaint Procedure as published in the April newsletter. Passed -5/0

**Motion 2:** Carol Wood moved and Karen Krug seconded to retain the Law Offices of James L. Strichartz as Cape George corporate counsel. Passed -5/0

**Motion 3:** Karen Krug moved and Carol Wood seconded that the \$1,576 balance in the South Seawall reserve account be transferred to the General Reserve account to satisfy a portion of the outstanding loan balance between the two reserves and since further collections for the South Seawall account are highly unlikely that the operating fund transfer \$747 to the General Reserves in full and the final settlement of the outstanding loan between the General Reserves and the South Seawall account. Passed – 5/0

**Motion 4:** Rich Hilfer moved and Leslie Fellner seconded to accept the proposal by Quality Heating for the pool dehumidification project, with the project cost not to exceed \$130,000. Passed – 5/0

**Motion 5:** Leslie Fellner moved and Carol Wood seconded to amend Resolution 03/03/16, which was incorrectly written, to state that the funds of \$2511.31 are being transferred from the Berm Fund and not General Reserves. The dollar amount originally stated was correct. . Passed – 5/0

**Motion 6:** Karen Krug moved and Katie Habegger seconded that the Board approve the additional final 2015 transfer from 2015 operating cash of \$8,383 to Marina Reserves, \$15,955 to Water Reserves and \$17,900 to General Reserves, based upon the Treasurer's memo to the Board dated March 30, 2016 and discussion of that material at the April 12, 2016 study session. Passed – 5/0

**Motion 7:** Karen Krug moved and Leslie Fellner seconded that in response to the Internal Control report provided by C&C at the conclusion of the 2015 audit, the Board approve the corrective action plan detailed in the Manager's memo to the Board dated April 14, 2016. Passed – 5/0

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING

April 14, 2016

7:00 PM

**Motion 8:** Leslie Fellner moved and Karen Krug seconded to approve the acknowledgement and promise to pay past due indebtedness as agreed upon by the member who owns property at 52 W Vancouver Drive and Lot CL1, Division 6, Block 13, located within Cape George Colony Club. Passed – 5/0

**Motion 9:** Carol Wood moved and Michael Hinojos seconded to approve 8 due date adjustments for 7 members. Passed – 5/0

**Open Board Discussion:** Richard Hilfer suggested a meeting for the community in early May to discuss the possible Verizon cell tower in the Highlands. A representative from Verizon would attend the meeting to answer questions and concerns from our members. Art is researching a possible date when a representative would be available.

**Announcements:**

- A. Study Session – May 10, 2016 3:00 P.M.
- B. Board Meeting – May 12, 2016 7:00 P.M.

**Adjournment:** Karen Krug moved and Michael Hinojos seconded to adjourn the regular session at 7:40pm. Passed – 5/0

**Submitted by:**

**Approved by:**

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Katie Habegger, Secretary

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Richard Hilfer, President

**Committee reports:**

**WATER ADVISORY COMMITTEE – APRIL 5, 2016**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Karen Krug, Board Liaison; Greg Rae, Water Manager; Larry Southwick, Committee Chair; and members Scott James and Stewart Pugh.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING

April 14, 2016

7:00 PM

1. Water rights – nothing new at the time of the meeting but we received the final approval and Certificate of Water Right from DOE by email on April 7. THAT'S DONE AT LAST.
2. Emergency Preparedness – we spent most of the meeting discussing a draft that includes what is currently included in the WSP 7.7.5 regarding Emergency Response Procedures and the section from the Emergency Preparedness Committee directions regarding shutting down the water system in case of a major emergency. One of the important points we discussed was that we need to issue an immediate 'Boil Water' notice to all because of the potential for contamination due to back siphoning when the system is shut down. Art and Donnie discussed the draft and provided some comments. Greg will review in more detail and add as he feels needed. We'll continue to work on this for the next couple months.
3. Greg reported that the Dept. of Health will be doing a Sanitary Survey of our water system on April 20. That includes a physical inspection of facilities and operations as well as a review of our record-keeping. There is a checklist for the survey so we can be prepared.
4. Terri provides a leak report after each meter reading cycle and Stew calls the affected homes. There were 23 potential leaks identified on the most recent report. Stew said most were due to people returning to Cape George after being away all winter which are not leaks but just the way the software treats the meter reads.

The next meeting will be on **May 3, 2016 at 5 pm at the Office.**

**Environmental Committee – March 14, 2016**

IN ATTENDANCE: Art Burke, Dennis Fellner, Kitty Rucker, Steve Shapiro

CALL TO ORDER: The Meeting was called to order by Kitty with December 14 minutes approved unanimously, as corrected.

FISCAL REPORT: Total - \$2,889.97 we have an additional \$10 from the sale of a mountains picture to Jim Birdsall (*These are not funds that belong to Cape George Colony Club, Inc.*)

OLD BUSINESS:

- A. Native Plants and Noxious weed Presentation. It be held on March 17, at 7 p.m., in the Clubhouse. The speaker is Joost Besijn, who works who is the newly appointed Jefferson County Noxious Weed Control Board Coordinator. He was born and raised in the Netherlands and was a game ranger in South Africa for 2 years.
- B. Movie for April. Lorna and Darrell Smith will be showing a movie called *Racing to Extinction* on Tuesday, April 26, at 7 p.m., at the Clubhouse. The movie deals with animals who are becoming extinct and what can be done to help preserve them. Steve and Kitty will bring cookies.

NEW BUSINESS:

- A. Plans for 2016. We have no major plans for 2016 except for the Dinner in October. Please come with ideas for the next meeting in April.

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING**

April 14, 2016

7:00 PM

B. Generator for the Clubhouse. Mac McDonald, Ken Owens, Craig Muma, and Marta Favati came from the Marina Committee to present an idea to us to help them purchase a generator to be used in the event of an earthquake or other major catastrophe. They propose purchasing a used 11,000-12,000 watt propane generator for \$4,000. It would be used for emergency situations that could cause the community to lose power for an extended period of time. There would also be a \$1,000-2,000 electrical hook-up cost. The Fitness Committee has donated money and are asking the Pool Committee and the Social Club for money as well. The generator will be kept on a trailer and will be moved to wherever it is needed. If the Clubhouse were damaged and could not be used, the trailer could be moved to the firehouse. The Clubhouse offers showers and cooking facilities that the firehouse doesn't, but it could still be an adequate emergency facility if needed. Because we only had 3 members present, we felt that we couldn't vote on this today. We made a motion, to be voted on at our April meeting, to donate \$250 - \$500 to this project. Please plan on being at the meeting to vote on this important issue.

Adjournment: 10:05

**Pool Committee –March 2, 2016**

ATTENDEES: Art Burke, Rocky D'Acquisto – Chair, Mary Hilfer, Leslie Fellner and Marta Krissovich

The current Pool Committee Treasury amount is \$3,300.58. These funds are not part of Cape George Colony Club Homeowner's Association.

Art has send out the RFPs for the dehumidification system to 6 contractors and expects responses by April 11. The sauna proposed by Rocky is on hold until the dehumidification system is designed and installed so that we can see what kind of space is required for that.

Prior to emptying the pool during the dehumidification project, Art proposed having a day (after the chlorine levels have been reduced) for dog owners to bring their dogs down to enjoy the pool. That has been done by other communities and it has turned well. Committee members agreed this would be fun and bring good will.

Discussion followed about the upcoming St. Patrick's dinner on March 19. Marta has the list of sides that we purchased last year and she will go shopping on Friday the 18th. Rocky has graciously offered to provide the Chili again this year. Marta has arranged for music. Her sister is putting together a playlist and there will be a sing-a-long. Cassie Reeves will make brownies for dessert and the volunteers will be at the clubhouse as 3 pm to set up, decorate, and prepare the food. The event will start at 6 pm with a social and the dinner will start at 6:30. Rocky will provide a picture of his raffle item for display.

Rocky was called by the Marina Committee about donating towards the generator. Since we are such a small committee and our funds are committed towards another project, he will tell them we can't help at this time.

Art will install new faucets (hose bib) that lock in the changing rooms and a bracket for hanging a short hose in each, so that we have access to the hose and can clean the floor more easily.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING

April 14, 2016

7:00 PM

Art then shared a suggestion that we turn the pool into a saltwater/chlorine generating pool. It would cost about \$2,500 for setup for the chlorine generator and we would have to inject 1,000 pounds of salt into the water the first time it is setup. It costs us about \$1,200 to 1,300 for chlorine now. The saltwater/chlorine generation would pay for itself over time. The only drawback is that we would have to replace the generator every 4-5 years for \$1,300. It is an interesting idea that we will revisit once the dehumidification project is completed.

Next meeting: April 6, 2016 – 3:00 at the Clubhouse  
Respectfully submitted, Mary Hilfer for Norma Lupkes

**Marina Committee –April 5, 2016**

Meeting was called to order at 11:05 AM by Penny Jensen – Harbormaster.

17 members of the Marina Committee were present.

PJ welcomed home the Snowbirds that have come trickling back.

PJ Financial: We have \$4749.77 in Marina Fund Raising Account (this account is separate from Cape George Corporate account).

Marina Sale April 22, We need help moving items from the Red Barn to the clubhouse on April 18 & 19 Sign-up sheets for working the sale are on the table in the shop kitchen.

Water Front Festival: It's official, this year's Water Front Festival and Sailboat Racing Regatta will be held August 27. A major focus will be honoring the memory of past marina volunteers. Jack Scherting asked to be excluded from that list for the time being.

Information Items:

Electrical Project: Craig Muma - We are in the early stages of replacing all the wiring and pedestals for boat shore power on the docks. We had a qualified contractor inspect the docks with Penny, Art, and Craig for the purpose of establishing a cost for the project. We anticipate an initial quote from him in the next few days. Completion target is sometime in 2017.

Protection Island Race: Ben Fellows. There is a standing time of 4:28:01 Jim Bodkin in Kellee, a sail only race leaving our marina, passing south of the south mooring ball and circling Protection Island (either direction) and back to the mooring ball. All sailors are hereby challenged to beat this time. Judging will be by the Honor System.

Dock Cleaning: PJ Much of the north end of the marina has been power washed and depoopified of River Otter calling cards. The Otters don't seem to like clean docks and have migrated to the north end of the marina spreading gifts and good cheer.

Piling Condition Report: CM We are happy to report that the professional dive company Sterling Marine Services, gave our pilings two thumbs up with the exception of the two pilings nearest the inlet on each side, north and south. Their recommendation is to encase these pilings with concrete similar to seven other pilings in our marina that were done some years ago.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING

April 14, 2016

7:00 PM

Kayak Rescue: During the gale force winds we had last week two young kayakers were blown onto the rip rap (rocks) just outside and north of the marina inlet. Their boat was swamped and couldn't get back out. Richard, Penny, and Ken Owen were front and center in no time and successfully got them onto the beach where they could get themselves straightened out. Three cheers for the daring trio!

Fire Ring and Barbeque Pit: PJ The fire ring rebuild was completed this week thanks to Dick Poole, Mac, Donnie, and Penny. Jack Scherting: Work continues on the barbeque pit and will be completed soon; but the old grills need to be replaced. The quote is \$1200. Jack made a motion for the Marina Committee to donate \$400 of their discretionary funds to the project. The motion was seconded by Dick Poole and carried by the majority.

Workshop Fund Raiser: Marta Favati. June 4 there will be a spaghetti feed and art auction to raise funds for the workshop. Tickets will be available at the office for \$25/couple or \$15/single. We expect a good turnout and good time.

Marta also announced that starting next month the work shop committee will convene directly following the Marina Committee meeting.

Beer and Wine: PJ Unlike previous years all official association functions, such as the Water Front Festival, cannot serve alcohol furnished by the association or any of its committees. BYOB is the new rule of the day. Unanimous groans were sounded round the table.

**BREAKING NEWS!!!!**The Social Club donated the remaining \$800 needed to buy new barbecue grills and also donated \$500 to the Workshop for the purchase of a generator. **THANK YOU!!!!**

Meeting adjourned at 11:45 - Craig Muma Scribe and Marina Chair

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
May 12, 2016  
7:00 PM

**President Richard Hilfer called the meeting to order at 7:02 p.m.**

**Welcome**

Three members have announced they are running for Trustee elections: Kathy Weatherman, Karen Krug and Raul Huerta

**In Attendance:** Richard Hilfer, Carol Wood, Leslie Fellner, Michael Hinojos and Ray Pierson

**Action on Minutes:** Richard Hilfer moved and Ray Pierson seconded to approve the minutes of the Regular Board Meeting April 14, 2016. Passed - 4/0

**Membership Report:** Richard Hilfer – There are no new members in April

**Treasurers Report:** Richard Hilfer (submitted on behalf of Karen Krug)

**TREASURER'S REPORT**

**As of April 30, 2016**

*A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website and are also available for review in the office.*

**2016 Balance Sheet comments:**

Bank statements from all financial institutions have been received and reviewed and all accounts have been reconciled. After reconciliation, Wells Fargo accounts are about \$16,000 in excess of the FDIC limit. This situation should be easily correctable by mid-May.

With the exception of a small balance in the Berm special assessment account, all the special assessments and loans related to those assessments have been extinguished. The processes started in 2012 and over a three-year period raised slightly more than \$450,000 for three major projects, the North Seawall, the South Seawall and the Berm. The standing Reserve Assessment approved by the Members in 2014 at an initial value of \$119,000 per year should generate sufficient reserve funds to mitigate the need for future special assessment for all but the most unusual circumstances.

**2016 Income Statement comments:**

Year-to-date total combined operations are \$14,000 better than anticipated.

In all three cost centers, labor and repairs are running lower than year-to-date budget. In both cases, the seasonality of the expense versus the budget allocated evenly across twelve months is the primary reason. Seasonality caused variances will diminish throughout the year.

**CAPE GEORGE COLONY CLUB**  
**BOARD OF TRUSTEES MEETING**  
May 12, 2016  
7:00 PM

**GENERAL OPERATIONS**

Year-to-date general operations are nearly \$9,300 better than budget, a favorable outcome.

General revenue is \$3,400 ahead of budget. A \$2,900 donation from the Fitness Committee for new equipment and a nearly \$600 donation from the Social Club for Clubhouse painting are the primary drivers of the variance.

The favorable expense variance can be traced to labor and repair as mentioned above. Insurance expenses are also noticeable lower than budget but this could change as the insurance major policies renew in June.

**WATER OPERATIONS**

Year-to-date water operations are \$9,100 better than budget year-to-date, a favorable outcome.

Water revenue from other than base water fees is \$2,200 better than budget. Two new water installations coupled with higher excess water charges in January are the reasons.

Like general operations, favorable water expense variances are found in labor, repairs and insurance. All three of which are expected to diminish as the year progresses.

**MARINA OPERATIONS**

Year-to-date marina operations are nearly \$4,400 below budget expectations, an unfavorable outcome.

Marina revenues are about \$2,600 lower than budget and about \$1,700 lower than last year at this time. The majority of this underperformance is in slip moorage and boat trailer parking. Even though seven individuals moved from the wait list into slips there are still 14 individuals on the wait list, ten of which have boats over 29 ft. The budget parameters might have anticipated a different size mix which could easily explain the difference.

Marina labor and repair, unlike the other cost centers, are running at budgeted levels. Contract services are higher than budget a result of the piling study being completed in a single month while the budget is split in twelve increments.

Marina utilities are still noticeably higher than budget. PUD changed the electric meters decreasing the total number. Staff has reconciled the new meter assignments and transferred about \$400 in utility expense from the marina to general operations. Additional review may be necessary and/or adjustments may need to be made for the 2017 budget.

**CAPE GEORGE COLONY CLUB**  
**BOARD OF TRUSTEES MEETING**  
**May 12, 2016**  
**7:00 PM**

**CAPE GEORGE COLONY CLUB**  
*Balance Sheet as of April 30, 2016 and 2015*

<b>Assets</b>	<b>2016</b>	<b>2015</b>	<b>Liabilities and Fund Balances</b>	<b>2016</b>	<b>2015</b>
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 225,038	\$ 166,733	Accounts Payable & Other Liabilities	\$ 9,401	\$ 11,482
Operating Investment-Savings	70,088	105,046	Unearned Income General/Water/Etc.	54,283	47,820
Petty Cash (2 accounts)	600	600	Unearned Income Other	-	-
Reserves - General, Water & Marina	641,613	423,934	Unearned Income Marina Wait List	1,200	1,150
Special Assmnts(Berm/Sseawall)	3,362	59,584	Due to General Reserve (Loan)	-	32,585
<b>Routine Reserve Assessment**</b>	<b>67,992</b>	<b>65,740</b>	<b>Total Current Liabilities</b>	<b>64,884</b>	<b>93,037</b>
<b>Total Cash &amp; Equivalents</b>	<b>1,008,693</b>	<b>821,637</b>	North Seawall Assessment Liability	-	-
Net Accounts Receivable	11,309	14,390	South Seawall Assessment Liability	-	-
Due from S. Seawall Reserve (Loan)	-	32,585	<b>FUND BALANCES:</b>		
Net SpclAssmnts Receivable	2,220	24,724	Fund Balances (Combined)	2,502,444	2,352,351
Total Net Fixed Assets	1,764,419	1,778,485	Modified Cash Basis CY Income*	228,533	236,364
Total Prepaid & Other Assets	9,220	9,932	<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,795,861</b>	<b>\$ 2,681,752</b>
<b>TOTAL ASSETS</b>	<b>\$2,795,861</b>	<b>\$2,681,753</b>			

*Summary Revenue and Expense Statements for the periods ended March 31, 2016 and 2015 respectively (Modified Cash Basis)*

	2016 Year to Date				COMPARATIVE			
	Actual	Budget	Variance	%	2016 YTD	2015 YTD	Variance	%
General Assessment	\$ 143,204	\$ 143,204	-	0%	\$ 143,204	\$ 143,204	\$ -	0%
Revenue - All Other Sources	9,697	6,243	3,454	55%	9,697	5,562	4,135	74%
<b>Total General Revenue</b>	<b>152,901</b>	<b>149,447</b>	<b>3,454</b>		<b>152,901</b>	<b>148,766</b>	<b>4,135</b>	
<b>Expenses:</b>					<b>Expenses:</b>			
Salaries, Benefits, PR Tax	42,296	46,351	4,055	9%	42,296	41,528	(768)	-2%
Repairs & Maintenance	4,965	7,524	2,559	34%	4,965	3,707	(1,258)	-34%
Contracted Services	13,453	13,746	293	2%	13,453	14,405	952	7%
Insurance	6,265	7,141	876	12%	6,265	7,444	1,179	16%
Pool Expense	6,463	6,833	370	5%	6,463	4,233	(2,230)	-53%
Other Expenses (incl taxes)	10,990	8,673	(2,317)	-27%	10,990	8,767	(2,223)	-25%
<b>Total General Expenses</b>	<b>84,432</b>	<b>90,268</b>	<b>7,783</b>		<b>84,432</b>	<b>80,084</b>	<b>105</b>	
<b>General Net Income</b>	<b>\$ 68,469</b>	<b>\$ 59,179</b>	<b>\$ 9,290</b>	16%	<b>\$ 68,469</b>	<b>\$ 68,682</b>	<b>\$ (213)</b>	0%
<b>Water</b>					<b>Water</b>			
Revenue - Water Use Fees	\$ 92,160	\$ 91,980	\$ 180	0%	\$ 92,160	\$ 91,980	\$ 180	0%
Revenue - All Other Sources	4,245	2,000	2,245	112%	4,245	3,254	991	30%
<b>Total Water Revenue</b>	<b>96,405</b>	<b>93,980</b>	<b>2,425</b>		<b>96,405</b>	<b>95,234</b>	<b>1,171</b>	
<b>Expenses:</b>					<b>Expenses:</b>			
Salaries, Benefits, PR Tax	19,235	21,073	1,838	9%	19,235	19,109	(126)	-1%
Repairs & Maintenance	365	3,592	3,227	90%	365	534	169	32%
Contracted Services	6,269	5,780	(489)	-8%	6,269	5,345	(924)	-17%
Insurance	3,288	3,748	460	12%	3,288	3,965	677	17%
Other Expenses (incl taxes)	13,040	14,725	1,685	11%	13,040	10,967	(2,073)	-19%
<b>Total Water Expenses</b>	<b>42,197</b>	<b>48,918</b>	<b>6,721</b>		<b>42,197</b>	<b>39,920</b>	<b>(2,277)</b>	
<b>Water Net Income</b>	<b>\$ 54,208</b>	<b>\$ 45,062</b>	<b>\$ 9,146</b>	20%	<b>\$ 54,208</b>	<b>\$ 55,314</b>	<b>\$ (1,106)</b>	-2%
<b>Marina</b>					<b>Marina</b>			
Revenue - Moorage/Parking	\$ 53,449	\$ 55,500	\$ (2,051)	-4%	\$ 53,449	\$ 54,710	\$ (1,261)	-2%
Revenue - All Other Sources	8,282	8,840	\$ (558)	-6%	8,282	8,757	(475)	-5%
<b>Total Marina Revenue</b>	<b>61,731</b>	<b>64,340</b>	<b>(2,609)</b>		<b>61,731</b>	<b>63,467</b>	<b>(1,736)</b>	
<b>Expenses:</b>					<b>Expenses:</b>			
Salaries, Benefits, PR Tax	4,223	4,594	371	8%	4,223	4,188	(35)	-1%
Repairs & Maintenance	1,829	1,967	138	7%	1,829	972	(857)	-88%
Contracted Services	3,741	2,723	(1,018)	-37%	3,741	808	(2,933)	-363%
Insurance	2,019	2,112	93	4%	2,019	2,077	58	3%
Other Expenses (incl taxes)	4,148	2,819	(1,329)	-47%	4,148	2,857	(1,291)	-45%
<b>Total Marina Expenses</b>	<b>15,960</b>	<b>14,215</b>	<b>(1,745)</b>		<b>15,960</b>	<b>10,902</b>	<b>(5,058)</b>	
<b>Marina Net Income</b>	<b>\$ 45,771</b>	<b>\$ 50,125</b>	<b>\$ (4,354)</b>	-9%	<b>\$ 45,771</b>	<b>\$ 52,565</b>	<b>\$ (6,794)</b>	-13%
Routine Reserve	59,580	59,580	-		59,580	59,580	0	
Spcl Assmnt Income/Exp	333	-	333		333	9	324	
Reserve Interest - all	172	21	151		172	215	(43)	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 228,533</b>	<b>\$ 213,966</b>	<b>\$ 14,233</b>	7%	<b>\$ 228,532</b>	<b>\$ 236,364</b>	<b>\$ (8,156)</b>	-3%

\*\*Modified Cash Basis, Excludes Depreciation

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
May 12, 2016  
7:00 PM

**Manager's Report:** Art Burke

We have received notification from NoaNet that as of May 31, 2016, they will be terminating their microwave site lease at the Clubhouse. This action is being taken as a result of the market that they had hoped to develop not coming about. All equipment will be removed by the end of the month.

We have received the operations and maintenance manual for the new septic tank components that were installed during the pool septic modification project.

The pool experienced an outbreak of a condition commonly called pink slime. This naturally occurring bacterium is resistant to relatively high levels of chlorine. Although not dangerous to humans, it is an annoyance and required the pool to be closed for two days while Donnie and Chris super chlorinated the water and scrubbed all affected surfaces.

We received final notification from the law firm of Forsberg & Umlauf regarding the dismissal of the law suit filed against Cape George by the contractor Orion in Jefferson County. This brings to a close all of the claims against Cape George as a result of the 1/29/14 marina accident.

The second cycle of vacant lot mows will be getting underway later this month. If you have a vacant lot and did not elect to have our contractor mow your lot, you must have your lot mowed by Memorial Day.

Projects being worked on by the Office Administrator:

- Although we have no new members in April, as of May 5, 2016 we have 8 properties in escrow and 2 properties in foreclosure.
- Efforts are underway to collect insurance documents and boat registration on members with boats in the marina. These documents are required and will lead to boats being removed if not received in the office.
- The second of the lot mows will take place the week of May 23rd.

Projects being worked on by the Caretaker:

- Roadside mowing
- Pool maintenance

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

- Report of an ancillary structure being constructed without a Cape George building permit.
- Cars traveling in excess of the posted speed in the Village and Colony.
- Complaint of Scotch Broom in the Colony.
- Report of Scotch Broom on common property.
- Report of a boat and trailer stolen from the clubhouse parking lot during the Marina Sale.
- Report of a property not being maintained in the Colony.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
May 12, 2016  
7:00 PM

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Water, Building and Environmental

The reports are attached to these minutes and incorporated by reference.

**Information Items:**

The Trustees reviewed a letter from member Bonnie Whyte concerning blackberry bushes and asked that the matter be reviewed by the Environmental Committee.

**Member participation:** None

**New Business Action Items:**

**Motion 1:** Ray Pierson moved and Michael Hinojos seconded to accept the proposal from the Ad hoc Petanque Court Committee. Passed-4/0

**Motion 2:** Michael Hinojos moved and Ray Pierson seconded to approve the replacement of the horseshoe court in the vicinity of the playground with funds for its construction to come from the Berm Fund. Passed-4/0

**Motion 3:** Richard Hilfer moved and Carol Wood seconded to approve the request for Mediation and Agreement to Mediate forms as submitted by the Ad hoc Conflict Resolution Committee. Passed-4/0

**Motion 4:** Carol Wood moved and Leslie Fellner seconded to approve the multi-use generator project as presented by Ken Owen from the Workshop Committee. Passed-4/0

**Motion 5:** Leslie Fellner moved and Ray Pierson seconded that Cape George refund \$120 to Gordon Yancy for small boat storage, as requested 5/6/2016. Passed-4/0

**Motion 6:** Ray Pierson moved and Michael Hinojos seconded to approve Resolution 5/01/16 to transfer \$1,735 from General Reserves to Operations checking for modification of the pool septic project, Streamline Environmental-\$1,735. Passed-4/0

**Motion 7:** Leslie Fellner moved and Carol Wood seconded to approve transferring \$251.95 from the Shoreline Berm Account to the General Checking Account as requested in resolution 5/2/16. Passed-4/0

**Motion 8:** Michael Hinojos moved and Ray Pierson seconded to send 3 previous and 4 current member accounts to Saba & Associates for collections. Passed-4/0

**Motion 9:** Carol Wood moved and Leslie Fellner seconded to accept the donation of \$2,962.62 from the Fitness Committee for the purchase of two new pieces of equipment. Passed-4/0

**Motion 10:** Ray Pierson moved and Michael Hinojos seconded to approve 2 due date adjustments for 1 member. Passed-4/0

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
May 12, 2016  
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**Motion 11:** Leslie Fellner moved and Carol Wood seconded to accept insurance coverage, including the fee for volunteer insurance, as proposed by CAU on 5/9/2016. Passed-4/0

**Motion 12:** Ray Pierson moved and Michael Hinojos seconded to approve the appointment of Bill Deckman to the position of Co-Chair of the Building Committee and to approve William Woodson as a new member of the committee. Passed-4/0

**Open Board Discussion:** There was a recap of the May 10<sup>th</sup> member meeting on the proposed cell tower and it was agreed, no decisions would be made until all board members were in attendance.

**Announcements:**

- A. Meet the Candidate – June 14, 2016 2:00 P.M.
- B. Study Session – June 14, 2016 3:00 P.M.
- C. Meet the Candidate – June 16, 2016 6:00 P.M.
- D. Board Meeting – June 16, 2016 7:00 P.M.

**Adjournment:** Carol Wood moved and Leslie Fellner seconded to adjourn the regular session at 7:50 pm. Passed – 4/0

**Submitted by:**

**Approved by:**

\_\_\_\_\_  
Katie Habegger, Secretary

\_\_\_\_\_  
Richard Hilfer, President

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
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**WATER ADVISORY COMMITTEE- MAY 3, 2016**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water Manager; Larry Southwick, Committee Chair; and members Stewart Pugh, Thad Bickling and Scott James.

1. Emergency Preparedness – we spent most of the meeting discussing an updated draft of an Earthquake Emergency Response Plan. It includes the need to immediately notify the community to boil all drinking water until further notice. The potential for contamination may be low but it's immediate and we would need to get through any recovery and water quality testing before we could be assured it's safe. We also need to notify the residents to reduce water use to the absolute minimum until we can check the system out for any damage and bring it back to full service. Those restrictions could be in effect for a few days or as long as necessary if there is significant damage.

The big issue is what any emergency responder needs to know before shutting down the water system because the impact for recovery from a complete shutdown is substantial when it may not be actually needed. We decided to modify the procedure to just shut down the electrical system and two reservoirs but keep the water distribution system pressurized until we can be certain if a full shutdown is needed. That way we preserve some water in the tanks and avoid the impact of a complete shutdown unless that's necessary. Greg will also look into the ability to operate the reservoirs independently in case one or more are damaged in an earthquake and see if we would need to make any modifications.

Another element is to notify the community that each home should shut off their own water service to preserve what water they do have in their home plumbing and water tank to keep it from being drained back into the distribution system if there is a major leak or break. They may need to rely on their own stored water until we can get the full system back in service. We will be able to provide water at the water facilities and have a water tank that we can use to distribute water if necessary. We can refill the reservoirs as needed using the emergency generator, if the power is off.

2. Greg reported that the Dept. of Health has postponed the Sanitary Survey of our water system and will reschedule it, maybe June. That includes a physical inspection of facilities and operations as well as a review of our record-keeping. There is a checklist on their web site for the survey so we can be prepared.
3. Stew built a small digital system that can be connected to the flow meter to the Highlands that will gather flow data over a lengthy period of time. With that data, the system could be programmed to send an alarm if the flow is outside of a normal operating range.

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We talked about the potential for installing a few flow meters on the main lines going out of the water facilities that could be monitored for significant leaks or breaks. We could install similar data collectors that would monitor flows like Stew's system described above. There are flow meters that can be installed around the outside of a water pipe without having to cut out part of the pipe to install them inline which would require a major system shutdown. They would have to be installed in a vault and include some kind of telemetry so we could readily get flow readings. We'll look further into that potential for future budgeting.

4. Art reported that we didn't have any new water services installed in 2015 but we've had three already this year and several more are anticipated.

The next meeting will be on June 7, 2016 at 5 pm at the Office.

**Building Committee -May 2, 2016**

Aprils Report – Ann Simpson

Building Permits Issued:

Stephen & Anne McFarland: 72 Sunset Blvd, Colony. Build a new residence.

Brian Cullen & Sally Penczak; 101 Marine View Pl, Village. Build a shed/greenhouse.

Earthworks Permits Issued:

Stephen & Anne McFarland: 72 Sunset Blvd, Colony. Site development for new residence.

**ENVIRONMENTAL COMMITTEE MINUTES - April 11, 2016**

**IN ATTENDANCE:** Art Burke, Katie Habegger, Joan Hommel, Marta Krissovich, Norma Lupkes, Kitty Rucker, Robin Scherting

Meeting was called to order by Kitty with March minutes approved. Fiscal report: Total - \$2880.  
***(These are not funds that belong to Cape George Colony Club, Inc.)***

**OLD BUSINESS:**

**A. Mobile Generator** – A request has been made by the Marina & Workshop Committees for support for purchasing a mobile generator which would have a transfer switch for use in the clubhouse or the fire

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house during an emergency event. A motion was made and carried to donate \$200 at this time with a proviso to give more at a later date if prudent.

**B. Movie for April** – The Smiths will be showing a movie on *Endangered Animals and Plants* on April 26 at 7:00 in the clubhouse. Popcorn and snacks will be provided.

**C. Poison Hemlock Report** – The community-wide herbicide spraying has been completed. Another application may be required in some areas. A thank-you goes out to Dennis Fellner and Steve Shapiro for hand pulling an entire truckload before the spraying was done.

**D. Berm Planting** – Art reported that in order to complete the berm planting some additional hand seeding will be done by the office staff in the near future.

**NEW BUSINESS:**

- A. Annual Beach Walk** – Kitty will contact the Marine Science Center to arrange the date for the beach tour guides. A motion was made and carried to pay the \$100 fee for this event.
- B. Ravine Condition** – Concern over the condition of the ravine due to the water damage to the upper section from this past winter was expressed. Art reported that the replacement of the stairs is on the schedule for this summer. There has also been concern over the condition of the Fred Evans trail. Art reported that that trail is maintained 2-3 times a year and was not aware of any issues. EC members have been encouraged to walk the trail and report on their findings at the next meeting.
- C. Community Garden** - Marta Krissovich inquired as to the interest in having some sort of a community garden in Cape George. She has done some research on those in Port Townsend and shared a list of 13 gardens. She will be writing and submitting an article for the Newsletter on the subject
- D. Fund-raising** – A suggestion was made on a couple of options for the next fund-raiser – a 50-50 and a reverse drawing. More discussion will follow as we get closer to the Fall.

Respectfully Submitted: Norma J. Lupkes, Sec.

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**President Richard Hilfer called the meeting to order at 6:59 p.m.**

**Welcome**

**In Attendance:** Richard Hilfer, Carol Wood, Leslie Fellner, Michael Hinojos, Katie Habegger, Karen Krug and Ray Pierson

**Action on Minutes:** Katie Habegger moved and Carol Wood seconded to approve the minutes of the Regular Board Meeting May 12, 2016 with one date correction. Passed - 6/0

**Membership Report:** Katie Habegger

Kip Lilly purchased lot 9-4 S Palmer from the Dickson Trust (April 25)  
Michael & Robin Ballou acquired 50 Hemlock from Raleigh & Nadine Ballou (March 21)  
Daniel McDonough purchased lot 38 Colman Dr from Kinnaman Trust (May 13)  
Barbara Sharpe & Rick Kelley purchased 141 Alder Dr from Robert Felber Jr (May 13)  
Michael Lapointe & Terri Stafford purchased 11 Fir Pl from Shirley Van Hoover (May 17)  
Bill & Debra Cooper purchased 410 S Palmer from Takeo Kawaguchi (May 27)  
Larry & Janet Wood purchased 31 Vancouver Pl from Wayne & JoAnne Meginnes (May 31)  
Bruce Mueller purchased lot 31-3 Spruce Dr from Bruce Strobridge (May 31)  
Bruce Mueller purchased lot 32-3 Spruce Dr from Jeff Behrens (May 27)

**Treasurers Report:** Karen Krug

**TREASURER'S REPORT  
As of May 31, 2016**

A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website and are also available for review in the office.

**2016 Balance Sheet comments:**

Bank statements from all financial institutions have been received and reviewed and all accounts have been reconciled with no exceptions. All financial institutions are within FDIC/NCUA limits.

Cash in reserve accounts at the end of May was slightly over \$712,000. This balance will decrease with the commencement of the pool dehumidification system. The initial deposit on the equipment is about \$60,000 and will be made in June.

There is a CD at Peninsula Credit Union (PCU) coming due on late July. This CD will not be rolled at PCU. Although plans are not yet final it is likely that the \$72,000 maturity value will be transferred to a vehicle at 1st Security. These are reserve funds.

Nearly \$9,000 in delinquent receivables were sent to a collection agency in May. All accounts had been fully reserved which means their uncollectibility had been taken into account in prior years, i.e. no current bottom line impact.

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Accounts payable are significantly higher than last year at this time but this is related to the timing of the insurance renewals. All insurance policies renewed with virtually no change in premiums or coverage.

The Social Club donation of nearly \$5,000 for Club House blinds was not recognized in May. Accounting rules require the donation be treated as 'in-kind' so it will be recorded directly to an asset account rather than being recognized as revenue.

**GENERAL OPERATIONS**

Year-to-date general operations are performing much better than budget but nearly the same as last year. The difference in actual to budget this year is (1) higher donations; (2) the budget timing of lot mow fees which will self-correct; (3) lower repairs and maintenance in a difference which will decrease as the summer progresses; (4) and lower labor costs, again a difference that is expected to decrease as summer progresses.

There are individual line item variance and detailed statements are available on the website and in the office should anyone want to review the specific variances.

**WATER OPERATIONS**

Like general operations, year-to-date water operations are performing much better than budget and are very similar to last year. The difference in actual to budget this year is traceable to (1) three new water connections; (2) lower repair and maintenance expenses and (3) lower labor costs which again should moderate as summer progresses.

**MARINA OPERATIONS**

Marina operations doesn't follow the same patterns as general and water operations due as the basic timing of both their revenue streams and expenditure patterns differ.

Marina revenues are about 4% lower than budget projections and while there is likely to be some uptick in the summer, it is unlikely that the entire \$2,400 gap will be overcome.

It is too early in the year to determine if the Marina will meet its year-end budget target. The under-performance to date is not cause for alarm but does suggest even more careful use of resources during the remainder of the year.

**CAPE GEORGE COLONY CLUB**  
**Balance Sheet as of May 31, 2016 and 2015**

<b>Assets</b>	<b>2016</b>	<b>2015</b>	<b>Liabilities and Fund Balances</b>	<b>2016</b>	<b>2015</b>
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 207,864	\$ 149,742	Accounts Payable & Other Liabilities	\$ 41,278	\$ 8,658
Operating Investment-Savings	70,097	105,049	Unearned Income General/Water/Etc.	56,229	50,231
Petty Cash (2 accounts)	600	600	Unearned Income Other	-	-
Reserves - General, Water & Marina	639,915	422,372	Unearned Income Marina Wait List	1,200	1,150
Special Assmnts(Berm/Sseawall)	3,215	61,167	Due to General Reserve (Loan)	-	32,585
<b>Routine Reserve Assessment**</b>	<b>69,811</b>	<b>68,359</b>	<b>Total Current Liabilities</b>	<b>98,707</b>	<b>92,624</b>
Total Cash & Equivalents	991,502	807,289			
Net Accounts Receivable	8,098	6,212	North Seawall Assessment Liability	-	-
Due from S. Seawall Reserve (Loan)	-	32,585	South Seawall Assessment Liability	-	-
Net SpclAssmnts Receivable	765	21,985			
Total Net Fixed Assets	1,766,521	1,778,485	<b>FUND BALANCES:</b>		
Total Prepaid & Other Assets	32,901	6,174	Fund Balances (Combined)	2,502,444	2,352,351
			Modified Cash Basis CY Income*	198,636	207,755
<b>TOTAL ASSETS</b>	<b>\$2,799,787</b>	<b>\$2,652,730</b>	<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,799,787</b>	<b>\$ 2,652,730</b>

**Summary Revenue and Expense Statements for the periods ended May 31, 2016 and 2015 respectively (Modified Cash Basis)**

<b>2016 Year to Date</b>					<b>COMPARATIVE</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>		<b>2016 YTD</b>	<b>2015 YTD</b>	<b>Variance</b>	<b>%</b>
General Assessment	\$ 143,204	\$ 143,204	-	0%	General Assessment	\$ 143,204	\$ 143,204	-	0%
Revenue - All Other Sources	14,417	7,054	7,363	104%	Revenue - All Other Sources	14,417	6,810	7,607	112%
Total General Revenue	157,621	150,258	7,363		Total General Revenue	157,621	150,014	7,607	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	53,941	57,939	3,998	7%	Salaries, Benefits, PR Tax	53,941	52,711	(1,230)	-2%
Repairs & Maintenance	5,366	9,405	4,039	43%	Repairs & Maintenance	5,366	4,247	(1,119)	-26%
Contracted Services	17,909	16,508	(1,401)	-8%	Contracted Services	17,909	16,676	(1,233)	-7%
Insurance	7,832	8,926	1,094	12%	Insurance	7,832	9,305	1,473	16%
Pool Expense	7,809	8,542	733	9%	Pool Expense	7,809	5,107	(2,702)	-53%
Other Expenses (incl taxes)	12,766	10,754	(2,012)	-19%	Other Expenses (incl taxes)	12,766	10,156	(2,610)	-26%
Total General Expenses	105,623	112,074	7,730		Total General Expenses	105,623	98,202	(2,109)	
<b>General Net Income</b>	<b>\$ 51,998</b>	<b>\$ 38,184</b>	<b>\$ 13,814</b>	36%	<b>General Net Income</b>	<b>\$ 51,998</b>	<b>\$ 51,812</b>	<b>\$ 186</b>	0%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 92,160	\$ 91,980	\$ 180	0%	Revenue - Water Use Fees	\$ 92,160	\$ 91,980	\$ 180	0%
Revenue - All Other Sources	5,215	2,000	3,215	161%	Revenue - All Other Sources	5,215	3,254	1,961	60%
Total Water Revenue	97,375	93,980	3,395		Total Water Revenue	97,375	95,234	2,141	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	24,345	26,341	1,996	8%	Salaries, Benefits, PR Tax	24,345	23,881	(464)	-2%
Repairs & Maintenance	432	4,490	4,058	90%	Repairs & Maintenance	432	670	238	36%
Contracted Services	8,147	7,225	(922)	-13%	Contracted Services	8,147	6,399	(1,748)	-27%
Insurance	4,110	4,685	575	12%	Insurance	4,110	4,956	846	17%
Other Expenses (incl taxes)	16,081	16,938	857	5%	Other Expenses (incl taxes)	16,081	13,288	(2,793)	-21%
Total Water Expenses	53,115	59,679	6,564		Total Water Expenses	53,115	49,194	(3,921)	
<b>Water Net Income</b>	<b>\$ 44,260</b>	<b>\$ 34,301</b>	<b>\$ 9,959</b>	29%	<b>Water Net Income</b>	<b>\$ 44,260</b>	<b>\$ 46,040</b>	<b>\$ (1,780)</b>	-4%
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 53,647	\$ 55,500	\$ (1,853)	-3%	Revenue - Moorage/Parking	\$ 53,647	\$ 54,830	\$ (1,183)	-2%
Revenue - All Other Sources	8,566	9,153	\$ (587)	-6%	Revenue - All Other Sources	8,566	9,228	\$ (662)	-7%
Total Marina Revenue	62,213	64,653	(2,440)		Total Marina Revenue	62,213	64,058	(1,845)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	5,303	5,742	439	8%	Salaries, Benefits, PR Tax	5,303	5,269	(34)	-1%
Repairs & Maintenance	2,630	2,459	(171)	-7%	Repairs & Maintenance	2,630	1,698	(932)	-55%
Contracted Services	4,949	3,404	(1,545)	-45%	Contracted Services	4,949	1,019	(3,930)	-386%
Insurance	2,524	2,640	116	4%	Insurance	2,524	2,596	72	3%
Other Expenses (incl taxes)	4,658	3,477	(1,181)	-34%	Other Expenses (incl taxes)	4,658	3,381	(1,277)	-38%
Total Marina Expenses	20,064	17,722	(2,342)		Total Marina Expenses	20,064	13,963	(6,101)	
<b>Marina Net Income</b>	<b>\$ 42,149</b>	<b>\$ 46,931</b>	<b>\$ (4,782)</b>	-10%	<b>Marina Net Income</b>	<b>\$ 42,149</b>	<b>\$ 50,095</b>	<b>\$ (7,946)</b>	-16%
<b>Routine Reserve</b>	59,580	59,580	-		<b>Routine Reserve</b>	59,580	59,580	0	
Spcl Assmnt Income/Exp	438	-	438		Spcl Assmnt Income/Exp	438	15	423	
Reserve Interest - all	211	28	183		Reserve Interest - all	211	256	(45)	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 198,636</b>	<b>\$ 179,023</b>	<b>\$ 19,174</b>	11%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 198,635</b>	<b>\$ 207,797</b>	<b>\$ (9,585)</b>	-4%

\*\*Modified Cash Basis, Excludes Depreciation

KCK 06/10/15

CAPE GEORGE COLONY CLUB  
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**Manager's Report:** Art Burke

I have filed the annual report for Cape George at the Washington Secretary of State's website. Cape George received a donation from the Fitness Committee in the amount of \$261.60 for the installation of window film on the recently replaced window and \$305.40 for water service at the Fitness Room.

We have begun some of the initial planning and layout with Quality Heating on the pool dehumidification project. This includes utility room access modification, through-wall duct locating, fabric duct color selection, etc.

The annual inspection of the Cape George pool was conducted by Jefferson County Public Health. At the conclusion they found the chlorine level to be a little low and requested it be raised within 12 hours. They also provided information related to a Certified Pool and Spa Operators class and suggested that someone on staff should be certified. We will work toward accomplishing this before the end of the year.

Projects being worked on by the Office Administrator:

- Preparing election materials
- Marina's State vessel registration renewals
- Updating lock system access cards

Projects being worked on by the Caretaker and Assistant Caretaker:

- Roadside mowing continues to be a priority throughout the community.
- Providing assistance in the installation of the horseshoe court, salmon BBQ pit and petanque court
- Installed a new chlorine erosion feeder system at the pool.
  
- I have received the following reports/complaints over the past month:
  - Inoperable vehicle complaint in the Village.
  - Property maintenance complaint in the Colony and Village.
  - Speeding complaint in the Colony and Village.

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Water, Building and Environmental.

The reports are attached to these minutes and incorporated by reference.

**Information Items:**

- Upon review of the information presented at the Variance Hearing it was decided that the request would be withdrawn and presented at a later date.
- The Ad hoc Committee in charge of replacing the horseshoe court and constructing a new Petanque Court provided a progress report. The horseshoe court construction has started and should be

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completed in the next two weeks. The Petanque Court construction is well underway and has received adequate donations to be fully funded.

- The Trustees directed the Manager to follow the process outlined by the Community Association Institute to file a complaint with the Consumer Financial Protection Bureau on a property in the community that has not been foreclosed on in a timely manner.
- During open Board discussions the Trustees reviewed changing the format of the Annual Membership meeting in July to have Committee reports provided in advance of the meeting and request 1 or 2 Committee presentations on topics of interest.

**Member participation:** None

**New Business Action Items:**

**Motion 1:** Carol Wood moved and Ray Pierson seconded to approve a member request allowing a Cub Scout Troop to conduct an overnight camping activity in the outdoor area near the Clubhouse with the requirement that a certificate of insurance is provided for this one time only event and a limit of 10 to 12 boys be observed. Passed- 6/0

**Motion 2:** Art Burke presented additional information concerning a Pitney Bowes postage machine. The motion was tabled and will be revisited in November, before our current lease expires.

**Motion 3:** Karen Krug moved and Michael Hinojos seconded that \$59,341.24 be paid to Quality Heating, Electrical & Air Conditioning, Inc. per their invoice dated 6/2/2016 for pool dehumidification equipment and as specified in the executed purchase agreement dated 4/11/2016. Passed- 6/0

**Motion 4:** Karen Krug moved and Ray Pierson seconded that \$59,341.24 be transferred from General Reserves, specifically the Peninsula Credit Union Share Account, to General Operations as reimbursement for pool dehumidification project. Passed – 6/0

**Motion 5:** Katie Habegger moved and Michael Hinojos seconded to approve the Marina Committee's request to purchase a weather monitoring station using Marina operations funds and be reimburse by the Marina Committee Fund Raising account. Passed – 6/0

**Motion 6:** Leslie Fellner moved and Carol Wood seconded to accept the donation from the Social Club of 8 wall scones costing \$435.57 and 8 room darkening pleated shades for the interior windows costing \$4816.20, for the Cape George Clubhouse. Passed – 6/0

**Motion 7:** Michael Hinojos moved and Katie Habegger seconded to approve Resolution 6/01/16 to transfer \$2,101.34 from the Berm Account to Operations Checking for Henery's Hardware - \$238.58, Arrow Lumber - \$22.56, Shold Excavating - \$284.49, Blake Tile and Stone - \$1,555.71. Passed - 6/0

**Motion 8:** Carol Wood moved and Leslie Fellner seconded to reject the proposal and not proceed any further with discussions concerning the placement of a Verizon cell tower in the Highlands. Passed – 6/0

**Motion 9:** Ray Pierson moved and Michael Hinojos seconded to approve 1 due date adjustment for a member. Passed-6/0

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**Open Board Discussion:** None

**Announcements:**

- A. Study Session – July 12, 2016 3:00 P.M.
- B. Board Meeting– July 14, 2016 7:00 P.M.
- C. Annual Membership Meeting– July 16, 2016 2:00 P.M.
- D. Special Board Meeting – July 16, 2016 immediately following Annual Meeting

Carol Wood moved and Ray Pierson seconded to adjourn to Executive Session for the purpose of discussing a member violation of the governing documents and review attorney communication at 7:25 pm. Passed – 6/0

Karen Krug moved and Ray Pierson seconded to adjourn the Executive Session and resume the regular session at 8:00 pm. Passed -6/0

**Motion 10:** Richard Hilfer moved and Karen Krug seconded to foreclose on a lien of a chained boat in the Marina under Private Marina Operators statute. Michael Hinojos recused himself from the vote.  
Passed – 5/0/1

Ray Pierson moved and Michael Hinojos seconded to adjourn the Regular Board Meeting at 8:01. Passed – 6/0

**Submitted by:**

**Approved by:**

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Katie Habegger, Secretary

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Richard Hilfer, President

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**WATER ADVISORY COMMITTEE – June 7, 2016**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Karen Krug, Board Liaison; Larry Southwick, Committee Chair; and members Scott James, Stewart Pugh and Thad Bickling.

1. Emergency Preparedness – we continued to discuss an updated draft of an Earthquake Emergency Response Plan. (See April and May meeting reports). Greg was not present but sent his comments on the working draft by email.

All of this week is a statewide emergency preparedness exercise, Cascadia Rising, relative to a simulated 9.0 earthquake. Our own Emergency Preparedness Committee (EPC) is participating and had an exercise yesterday. At that exercise, we discussed the Water Committee's current work on the water system response plan and effect it will have on the EPC procedures. When we are satisfied that we've worked out our own procedures for emergency response, we'll need to update the EPC materials and train the emergency incident managers on the water system response plan.

Karen raised the question about who is in charge of Cape George outside of normal working hours and times when Art is not available, both in emergencies and other non-emergency times when needed. (Some of those calls after hours go to Thad as Chair of the EPC). Art said that is largely worked out between himself and Richard but will review it. Karen felt it needed to be more explicit and shared with the rest of the Board so everyone knows. That also applies to the water system management and we can spell that out in our own plan.

We discussed how to communicate all of this to the general membership, such as a newsletter article and/or a presentation at the annual meeting. Thad said that CGU is planning a meeting in August to focus on emergency preparedness and we could include the water system response plan at that time.

We also discussed the need to communicate to the residents during an emergency event. We could have large signs located at all major inroads directing people to the various bulletin boards for specific details where the water system information and directions could be posted. We can also communicate through the EPC because they will have individual response team members throughout the community with portable radios to keep in touch with the EPC Neighborhood Incident Command Center (NIC) and to report emergency response needs.

One of the elements in the water system recovery plan refers to determining the status of the electrical service, i.e., voltage and phase, before turning the system back on. Most of us aren't prepared or trained how to do that so the system can only be restarted when a qualified person has made that determination. We discussed the potential for installing the appropriate electrical monitoring equipment at the generator or pump house and training our operators how to use it. The draft instruction also says that any electrical

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repairs need to be made. We need to clarify that the repairs need to be made by a licensed electrician, normally a contractor, realizing that electricians will be very busy following a major emergency event.

We should also provide a clip board with all these procedures at the pump house and paper for anyone who is implementing them to write down just what they did and when for the record so anyone else can see what's been done and what may still need to be done.

We will have our next meeting at the Ed Skowrya Memorial Water Facilities so we can walk through all the draft procedures and discuss them on-site.

2. The Dept. of Health Sanitary Survey of our water system is now scheduled for August 25 at 1pm.
3. Stew built a small digital system that can be connected to the flow meter to the Highlands that will gather flow data over a lengthy period of time. With that data, the system could be programmed to send an alarm if the flow is outside of a normal operating range. Stew is still running it in test mode at home; it's hasn't been installed yet. (See May meeting report).
4. Terri sent out the latest water meter reading report. Stew said there were 25 leaks reported and he has been calling the affected residents. People are responding favorably to this program and it's working well to reduce wasted water.

The next meeting will be on **JULY 12, 2016 at 5 pm at the ED SHOWYRA MEMORIAL WATER FACILITIES (NOTE CHANGE IN DATE AND VENUE).**

**BUILDING COMMITTEE - May 2, 2016**

Building Permits Issued:

Stephen & Anne McFarland: 72 Sunset Blvd, Colony. Build a new residence.

Brian Cullen & Sally Penczak; 101 Marine View Pl, Village. Build a shed/greenhouse.

Earthworks Permits Issued:

Stephen & Anne McFarland: 72 Sunset Blvd, Colony. Site development for new residence.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
June 16, 2016  
7:00 PM

**ENVIRONMENTAL COMMITTEE – May 9, 2016**

**IN ATTENDANCE:** Art Burke, Sue Dunning, Dennis Fellner, Norma Lupkes, Kitty Rucker, Steve Shapiro, Robin Scherting

Meeting was called to order by Kitty with April minutes approved. Fiscal report: Total - \$2880.89  
*(These are not funds that belong to Cape George Colony Club, Inc.)*

**OLD BUSINESS:**

- A. Annual Beach Walk** – The date for the beach walk will be Wednesday, July 20, from 9:30 – 11:30 with the low tide at 10:56 a.m. Volunteers from the EC will be recruited to assist the Marine Science Center tour guides.
- B. Movie Nights** – The Smiths have not scheduled any films for the remainder of the year at this time.
- C. Condition of the Fred Evans trail** - Art reported at the last meeting that the trail is maintained 2-3 times a year, and he was not aware of any issues. Several EC members have since walked the trail and reported that did not encounter any condition issues with the trail.
- D. Community Garden** - Marta Krissovich was not present at the meeting and will be contacted to present her findings on community gardens at the next meeting.

**NEW BUSINESS:**

- A. Weeding Work Parties** – A discussion was held concerning the weeding of common areas which could also include pulling Scotch Broom throughout the community. An article in the Newsletter was suggested to see if there is any interest from residents to pursue this activity. Kitty and Sue will update the current Volunteer List for this activity.
- B. Outdoor Burning** – The question was raised about a recent large debris burn in the Colony. Art will reiterate in an article for the newsletter on the requirements for residents before any debris burns can occur. He will also contact the person.
- C. Herbicide Spraying** – The Maintenance Crew uses some herbicides for the most noxious weeds in the community. (The Board has asked us to review the blackberry issue)
- D. 400-Year Old Tree Slab** – Varn Brooks has acquired a large slab of wood from a tree, which was cut down during construction on a new home in the Colony. He will be asked to attend the next meeting and report on how he envisions it being displayed.

Respectfully Submitted: Norma J. Lupkes, Sec.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
July 14, 2016  
7:00 PM

**President Richard Hilfer called the meeting to order at 7:00 p.m.**

**Welcome**

**In Attendance:** Richard Hilfer, Michael Hinojos, Katie Habegger, Karen Krug and Ray Pierson

**Action on Minutes:** Katie Habegger moved and Ray Pierson seconded to approve the minutes of the Regular Board Meeting June 16, 2016. Passed - 4/0

**Membership Report:** Katie Habegger

John & Rebecca Coon purchased lot 41 on San Juan Dr from Valerie Real (June 24)

Alan & Heather Bishop purchased 3210 Coleman from Dimne Cote (June 23)

William Hamilton & Cathy Bartels purchased 61 Cedar Dr from Bret & Young Rowland (June 13)

George & Marilee Martin purchased 101 Maple Dr from Cynthia Wilson Estate (June 17)

**Treasurers Report:** Karen Krug

**TREASURER'S REPORT**

**As of June 30, 2016**

*A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website and are also available for review in the office.*

**2016 Balance Sheet comments:**

Bank statements from all financial institutions have been received and reviewed and all accounts have been reconciled with no exceptions. All financial institutions are within FDIC/NCUA limits.

Cash in reserve accounts at the end of June were slightly over \$900,000, an increase of about \$100,000 since this time last year. There is a \$72,000 CD at PCU that is due on 7/24/16 and those funds will likely be reinvested at 1st Security.

The Operations Savings account, in reality an emergency liquidity account, now carries an \$88,000 balance, a combination of the mandatory \$70,000 Member voted upon balance plus the 2015 deposit of about \$18,000. It is the intent to gradually increase that account until it contains about \$110,000 or roughly 90 days of operating costs.

For all intents and purposes, all three of the special assessment projects approved by Members over the past several years, North Seawall, South Seawall and Berm, have been completed and the accounts closed. In total those projects cost around \$450,000 which translates to about \$675 per lot. An impressive outcome for a series of ambitious but necessary community improvements. Since routine reserve funding has been implemented, it is unlikely, although not impossible, that such special assessment will occur in the future.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING

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**OVERALL OPERATING COMMENTS**

A category to watch through the remainder of the year is repairs and maintenance as this category is running materially lower than budget in both General and Water operations. The issue may simply be timing in which case the 2017 budget should be allocated slightly differently. Reviewing prior years' actual expenditures to identify possible trends should occur prior to preparing the 2017 budget.

**GENERAL OPERATIONS**

General operations are funded primarily through the General Assessment. Other major sources of funding include vacant lot mow fees, cash donations and late fees. These funds are used to maintain and operate the common property of the corporation including necessary labor, routine repairs, pool costs, supplies, office expenses and of course, insurance, audits, legal fees and taxes.

**WATER OPERATIONS**

Water operations are funded primarily through a base water fee charged to every lot with a water connection. New water connections and charges for annual excess water use comprise the remainder the water revenues. The collected funds are used to maintain the routine operations of the Cape George water system. Like general operations there are of course, labor costs, repairs and maintenance, and necessary supply, audit, legal, insurance, and administrative expenses.

Because the water system is by statute considered a "small municipal water system" there are mandatory expenses for quality testing and formal inspections. In addition we are required to have the services of a licensed water operator and are fortunate to contract with an individual who also serves the Port Ludlow system.

The water system is also subject of state excise/sales tax, which averages about \$10,000 per year.

**MARINA OPERATIONS**

Over 85% of marina revenues are generated through moorage and boat trailer parking. The remainder of marina revenues are from sources like daily ramp fees and small boat charges. Most non-moorage charges, less allocated operating expenses, are subject to Federal income taxes.

Marina revenues are used to pay all direct routine marina operating expenses of the marina as well as a small allocated share of administrative expenses like the Manager's time, insurance, audit fees, etc.

Year-to-date marina operations appear to be performing significantly better than budget but this is because the annual dredging costs were budgeted in June rather than July when the dredging usually occurs. If this expense was aligned, marina operations would be underperforming budget by around \$4,000.

**CAPE GEORGE COLONY CLUB**  
**BOARD OF TRUSTEES MEETING**  
 July 14, 2016  
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**CAPE GEORGE COLONY CLUB**  
*Balance Sheet as of June 30, 2016 and 2015*

Assets	2016	2015	Liabilities and Fund Balances	2016	2015
<b>Cash and Cash Equivalents:</b>					
Operating Fund Checking	\$ 158,578	\$ 120,013	Current Liabilities:		
Operating Investment-Savings	88,007	105,052	Accounts Payable & Other Liabilities	\$ 7,832	\$ 12,989
Petty Cash (2 accounts)	600	600	Unearned Income General/Water/Etc.	91,510	89,143
Reserves - General, Water & Marina	580,642	422,419	Unearned Income Other	-	-
Special Assmnts(Berm/Sseawall)	1,088	64,748	Unearned Income Marina Wait List	1,200	1,200
<b>Routine Reserve Assessment**</b>	<b>77,251</b>	<b>76,860</b>	Due to General Reserve (Loan)	-	<b>32,585</b>
<b>Total Cash &amp; Equivalents</b>	<b>906,166</b>	<b>789,692</b>	<b>Total Current Liabilities</b>	<b>100,542</b>	<b>135,917</b>
Net Accounts Receivable	5,073	6,425	North Seawall Assessment Liability	-	-
Due from S. Seawall Reserve (Loan)	-	32,585	South Seawall Assessment Liability	-	-
Net SpclAssmnts Receivable	-	16,072	<b>FUND BALANCES:</b>		
Total Net Fixed Assets	1,831,517	1,787,260	Fund Balances (Combined)	2,507,695	2,352,351
Total Prepaid & Other Assets	33,620	33,375	Modified Cash Basis CY Income*	<b>168,139</b>	<b>177,141</b>
<b>TOTAL ASSETS</b>	<b>\$2,776,376</b>	<b>\$2,665,409</b>	<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,776,376</b>	<b>\$ 2,665,409</b>

*Summary Revenue and Expense Statements for the periods ended June 30, 2016 and 2015 respectively (Modified Cash Basis)*

2016 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2016 YTD	2015 YTD	Variance	%
General Assessment	\$ 143,204	\$ 143,204	-	0%	General Assessment	\$ 143,204	\$ 143,204	-	0%
Revenue - All Other Sources	15,319	10,865	4,454	41%	Revenue - All Other Sources	15,319	13,693	1,626	12%
<b>Total General Revenue</b>	<b>158,523</b>	<b>154,069</b>	<b>4,454</b>		<b>Total General Revenue</b>	<b>158,523</b>	<b>156,897</b>	<b>1,626</b>	
<b>Expenses:</b>					<b>Expenses:</b>				
Salaries, Benefits, PR Tax	65,576	69,527	3,951	6%	Salaries, Benefits, PR Tax	65,576	64,446	(1,130)	-2%
Repairs & Maintenance	6,053	11,287	5,234	46%	Repairs & Maintenance	6,053	4,822	(1,231)	-26%
Contracted Services	19,876	21,969	2,093	10%	Contracted Services	19,876	21,690	1,814	8%
Insurance	9,398	10,711	1,313	12%	Insurance	9,398	9,305	(93)	-1%
Pool Expense	9,397	10,250	853	8%	Pool Expense	9,397	7,229	(2,168)	-30%
Other Expenses (incl taxes)	15,631	12,835	(2,796)	-22%	Other Expenses (incl taxes)	15,631	14,877	(754)	-5%
<b>Total General Expenses</b>	<b>125,931</b>	<b>136,579</b>	<b>12,591</b>		<b>Total General Expenses</b>	<b>125,931</b>	<b>122,369</b>	<b>(640)</b>	
<b>General Net Income</b>	<b>\$ 32,592</b>	<b>\$ 17,490</b>	<b>\$ 15,102</b>	86%	<b>General Net Income</b>	<b>\$ 32,592</b>	<b>\$ 34,528</b>	<b>\$ (1,936)</b>	-6%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 92,160	\$ 91,980	\$ 180	0%	Revenue - Water Use Fees	\$ 92,160	\$ 91,980	\$ 180	0%
Revenue - All Other Sources	5,215	2,000	3,215	161%	Revenue - All Other Sources	5,215	3,254	1,961	60%
<b>Total Water Revenue</b>	<b>97,375</b>	<b>93,980</b>	<b>3,395</b>		<b>Total Water Revenue</b>	<b>97,375</b>	<b>95,234</b>	<b>2,141</b>	
<b>Expenses:</b>					<b>Expenses:</b>				
Salaries, Benefits, PR Tax	29,498	31,609	2,111	7%	Salaries, Benefits, PR Tax	29,498	29,023	(475)	-2%
Repairs & Maintenance	432	5,388	4,956	92%	Repairs & Maintenance	432	680	248	36%
Contracted Services	9,246	8,670	(576)	-7%	Contracted Services	9,246	5,068	(4,178)	-82%
Insurance	4,933	5,622	689	12%	Insurance	4,933	5,947	1,014	17%
Other Expenses (incl taxes)	17,670	19,275	1,605	8%	Other Expenses (incl taxes)	17,670	17,726	56	0%
<b>Total Water Expenses</b>	<b>61,779</b>	<b>70,564</b>	<b>8,785</b>		<b>Total Water Expenses</b>	<b>61,779</b>	<b>58,444</b>	<b>(3,335)</b>	
<b>Water Net Income</b>	<b>\$ 35,596</b>	<b>\$ 23,416</b>	<b>\$ 12,180</b>	52%	<b>Water Net Income</b>	<b>\$ 35,596</b>	<b>\$ 36,790</b>	<b>\$ (1,194)</b>	-3%
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 54,547	\$ 55,500	\$ (953)	-2%	Revenue - Moorage/Parking	\$ 54,547	\$ 54,830	\$ (283)	-1%
Revenue - All Other Sources	8,985	9,215	\$ (230)	-2%	Revenue - All Other Sources	8,985	9,368	(383)	-4%
<b>Total Marina Revenue</b>	<b>63,532</b>	<b>64,715</b>	<b>(1,183)</b>		<b>Total Marina Revenue</b>	<b>63,532</b>	<b>64,198</b>	<b>(666)</b>	
<b>Expenses:</b>					<b>Expenses:</b>				
Salaries, Benefits, PR Tax	6,386	6,891	505	7%	Salaries, Benefits, PR Tax	6,386	6,392	6	0%
Repairs & Maintenance	4,014	15,450	11,436	74%	Repairs & Maintenance	4,014	3,493	(521)	-15%
Contracted Services	5,205	4,085	(1,120)	-27%	Contracted Services	5,205	1,133	(4,072)	-359%
Insurance	3,028	3,168	140	4%	Insurance	3,028	3,465	437	13%
Other Expenses (incl taxes)	5,224	4,134	(1,090)	-26%	Other Expenses (incl taxes)	5,224	3,796	(1,428)	-38%
<b>Total Marina Expenses</b>	<b>23,857</b>	<b>33,728</b>	<b>9,871</b>		<b>Total Marina Expenses</b>	<b>23,857</b>	<b>18,279</b>	<b>(5,578)</b>	
<b>Marina Net Income</b>	<b>\$ 39,675</b>	<b>\$ 30,987</b>	<b>\$ 8,688</b>	28%	<b>Marina Net Income</b>	<b>\$ 39,675</b>	<b>\$ 45,919</b>	<b>\$ (6,244)</b>	-14%
<b>Routine Reserve</b>	<b>59,580</b>	<b>59,580</b>	<b>-</b>		<b>Routine Reserve</b>	<b>59,580</b>	<b>59,580</b>	<b>0</b>	
Spcl Assmnt Income/Exp	438	-	438		Spcl Assmnt Income/Exp	438	(81)	519	
Reserve Interest - all	258	32	226		Reserve Interest - all	258	406	(148)	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 168,139</b>	<b>\$ 131,504</b>	<b>\$ 36,196</b>	28%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 168,138</b>	<b>\$ 177,141</b>	<b>\$ (9,522)</b>	-5%

\*\*Modified Cash Basis, Excludes Depreciation

12/31/2015

CAPE GEORGE COLONY CLUB  
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**Manager's Report:** Art Burke

Donnie and I re-scoped the culvert on Sunset Blvd and aside from a couple of rocks and branches we did not find any breaks in the line reviewed. Our next step in exploring the wet soils at the west end of that culvert will be to do some digging with the backhoe to determine if any other drain lines can be found.

I attended a meeting conducted by representatives from FEMA concerning preliminary updates to Jefferson County flood maps. The updates will not change the flood risk designation for our shoreline properties.

A fish kill was reported in the boat basin on July 10<sup>th</sup>. Port Townsend Marine Science Center, Jefferson County Public Health and WA Dept. Fish & Wildlife were notified and responded with personnel. Samples were collected to be analyzed by NOAA. Initial surveys suggest that a large school of herring crowded into the boat basin and depleted the oxygen levels causing the large die-off.

Assist Marina Committee with installation of weather station. Thanks to Penny Jensen for leading this project and Bob Tilley for his technical research and expertise.

Thanks to the many hands that assisted with the building of the replacement salmon BBQ pit. Especially would like to thank Jose Gulin, Travis Rowland, Mac McDonald and Chris Marin. The project turned out great and the salmon is guaranteed to be especially tasty this year.

Projects being worked on by the Caretaker and Assistant Caretaker:

- Provided assistance with the installation of the horseshoe court and salmon BBQ pit.
- Tansy Ragwort removal along community roads.

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

- Report of someone trying to take their dog in the pool.
- Reoccurring report of low water pressure at a residence in the Highlands.
- Complaint of road edge not being maintained in the Highlands.
- Complaint of Tansy Ragwort not being removed on community roads.
- Report of an unmowed property posing a fire risk in the Colony.
- Report of someone driving through the community either discharging a firearm or fireworks.
- Report of an old US Navy EPIRB being accidentally activated from a boat in the marina
- Hedge complaint in the Colony.
- Light complaint in the Colony.

CAPE GEORGE COLONY CLUB  
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**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Water, Marina, Building and Environmental.

The reports are attached to these minutes and incorporated by reference.

**Information Items:**

- The Ad hoc Committee in charge of replacing the horseshoe court and constructing a new Petanque Court provided a progress report. The horseshoe court construction is completed and all that remains to be done is a little final grading. The Petanque Court is completed and ready for play.
- The Trustees directed the Manager to purchase the equipment required to conduct speed surveys on community roads.
- Upon review of information related to the office copier it was the recommendation of the Treasurer to postpone any further discussion until September of 2017.

**Member participation:** None

**New Business Action Items:**

**Motion 1:** Katie Habegger moved and Karen Krug seconded to thank the Environmental Committee for their work toward creating a display from the cross section of a 320+ year old tree and securing it in the picnic shelter. Passed – 4/0

**Motion 2:** Ray Pierson moved and Katie Habegger seconded Resolution 7/01/16 to transfer \$415.38 from the Berm Account to Operations Checking for rebuilding of salmon BBQ pit and horseshoe court – Arrow Lumber \$219.74, Hadlock Building Supply \$14.27, A+ Equipment Rental \$97.01, Art Burke (reimbursement of Home Depot purchase) \$84.36 – Passed – 4/0

**Motion 3:** Michael Hinojos moved and Ray Pierson seconded to approve 6 due date adjustments. Passed – 4/0

**Open Board Discussion:** Trustees discussed officer positions for new board. Trustee liaison assignments to committees will be deferred to August when all Trustees are present.

**Announcements:**

- A. Annual Membership Meeting – July 16, 2016 2:00 P.M.
- B. Special Board Meeting – July 16, 2016 immediately following Annual Meeting
- C. Study Session – August 9, 2016 3:00 P.M.
- D. Board Meeting – August 11, 2016 7:00 P.M.

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**Adjournment:** Michael Hinojos moved and Ray Pierson seconded to adjourn the regular session at 7:42 pm.  
Passed – 4/0

**Submitted by:**

**Approved by:**

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Katie Habegger, Secretary

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Richard Hilfer, President

**ENVIRONMENTAL COMMITTEE MINUTES - Monday, June 13, 2016**

**ATTENDEES:** Art Burke, Varn Brooks, John Dwyer, Marty Gilmore, Katie Habegger, Joan Hommel, Marta Krissovich, Norma Lupkes, Kitty Rucker, Steve Shapiro, Robin Scherting, Bonnie Whyte

The meeting was called to order by Kitty with May minutes approved. Fiscal report: Total - \$2880.89 (***These are not funds that belong to Cape George Colony Club, Inc.***)

**OLD BUSINESS:**

- A. Douglas-Fir Tree Round** – Varn Brooks is in the process of preparing the 320-year old tree round acquired from a construction site here at Cape George. It is 4 feet in diameter and weighs approximately 500 pounds and he presently has it under humidity control. His recommendation is to mark it chronologically with dates and events which apply to local history. The motion was made and approved to have it on display in the picnic area gazebo by the clubhouse. A big thank you to Varn for all his efforts on this project.
- B. Volunteer List** – Several members on the volunteer list have been contacted and articles placed in the newsletter to ensure that all common areas maintained by volunteers are covered.
- C. Community Garden** - Marta Krissovich reported that after two newsletter articles on an organic community garden there has been some interest expressed and meetings will be held on June 15 to explore the options for this to move forward.
- D. Blackberry Spraying** – The Committee’s recommendation to the Board of Trustees is to delay spraying blackberries until further research is done and presented to the Committee. Bonnie Whyte submitted a request to consider this action in the area behind the pickle ball courts. The committee thanked her for her many hours of hard work in cleaning up this area.
- E. Chemical Spraying** – A motion was made and approved not to allow the use of chemical spray on common property except the already approved use on Poison Hemlock. This does not apply to OMRI (Organic Material Review Institute) listed sprays.

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- F. **Native Plants** – A motion was made and approved to prohibit removal of native plants (as identified by a qualified individual) from common wooded areas without the recommendation of the Environmental Committee.
- G. **Fred Evan Woodland Trail** – A motion was made to limit maintenance of the trail to clearing litter and downed trees and removing noxious weeds.

**NEW BUSINESS:**

- A. **Reimbursement of Gas Money for Volunteers** – No decision was made as to reimbursing the volunteer for the cost of gas used in mowing grass in Cedar Park as this has not been done in the past.
- B. **Memorial Park “Pick a Weed” Program** – Users of Memorial Park are encouraged to pick a week (or two) to assist in park maintenance. The EC approved the purchase of a receptacle in which to deposit the weeds.
- C. **Cedar Park** – A request for a clean-up of the area has been submitted by a resident. Kitty will meet with them to inspect the area and determine future action.
- D. **Annual Report** – Kitty has submitted the Annual Report on EC activities for the past year to the Board of Trustees.

Respectfully Submitted: Norma J. Lupkes, Sec.

**ENVIRONMENTAL COMMITTEE MINUTES - Monday, July 11, 2016**

**DRAFT**

IN ATTENDANCE: Kyanne Anderson, Varn Brooks, Art Burke, Sue Dunning, Katie Habegger, Joan Hommel, Kitty Rucker, Robin Scherting, Darrell Smith, Linda Sutton

The meeting was called to order by Kitty, and the June minutes were approved.

Fiscal Report: unchanged from last month with a balance of \$2,880.39. (*These are not funds that belong to Cape George Colony Club Inc.*) \$150 will be paid to the Marine Science Center on July 20<sup>th</sup> for the Beach Walk program.

**OLD BUSINESS:**

- A. **Community Garden** – Marta Krissovich was not present to give an update on her discussions with interested participants. Deferred to next meeting.
- B. **Woods behind Pickle Ball Court** – Varn presented for discussion a summary of proposed guidelines for managing community owned forested areas in Cape George going forward. Varn will pull invasive herb robert, holly etc. from the recently cleared wooded area behind the pickle ball court, and he recommended that we organize periodic weeding parties in this area over the next couple of years to allow the native understory plants

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to repopulate the area. Varn also volunteered to pull the patch of poison hemlock adjacent to the wood chip pile to control the spread of poison hemlock in the community. The committee approved the guidelines – attached to these minutes - as an addendum to the committee's prior month's Native Plant policy.

**C. Annual Beach Walk** – This year's beach walk will be on July 20<sup>th</sup> 9.30-11.30 am. Kitty will provide buns and cookies and Steve, Sue and Varn will assist on the beach walk. Joan will be on hand at the clubhouse to greet and direct walk participants.

**D. Memorial Park** - Kyanne distributed a piece entitled "The Legend of the Garden" to encourage visitors to Memorial Park to pull weeds to allow the beds of heather to flourish. The committee approved the use of this piece both to be published in the newsletter and posted in Memorial Park. Kyanne will have the "Legend" enlarged, laminated and posted in the park and will purchase a garbage bin (to be labeled "sacred vessel"), to be located on the NE corner of the park's parking lot, beside the garden. The cost of these additions to the park will be reimbursed from committee funds.

**E. 400 year old Tree Slab** – Samples from the tree slab are being sent off for analysis, and the proposed location of the Tree Slab in the Beach Gazebo will be discussed by the Board at their Study Session 7/12. Any expenses incurred by Varn in preserving the slab and labeling it with historical details will be reimbursed from committee funds.

**NEW BUSINESS**

**A. Tansy Ragwort** – Art reported that weather conditions had created a bumper crop of tansy ragwort in the area, and asked committee members to help pull these invasives in common areas. If volunteers are unable to pull the weed root, pulling and encapsulating the flowers, stems and seed pods in a plastic bag will reduce the weed's spread and avoid contact with the potentially allergenic weed sap. The pulled weeds should not be put into compost or garden waste recycling, but should be put in regular trash. Art will put an educational piece in the newsletter for homeowners, along with an offer by the Environmental Committee to assist homeowners with tansy ragwort removal. Kitty, Sue, Linda and Katie will help with this as requested.

**B. Oil Terminal** – Linda reported that she had attended the recent Rally and March in Hoquiam to protest the proposed oil terminal in Grays Harbor.

**C. Fish Kill** – Varn reported on a large fish die-off in the Cape George marina over the preceding weekend. The Marine Science Center has taken water samples to investigate the likely cause. Preliminary indications are that oxygen levels were somewhat depressed, but not at toxic levels. A mixed circumstance of weather tide and current conditions probably converged to drive the fish into the marina and trap them there. The large concentration of fish then used up the available oxygen resulting in the fish kill.

**D. Berm Maintenance** – Art commented that the maintenance crew had recently pulled non-native weeds from the berm, but had discovered the following day that a well-intentioned volunteer had gone through and pulled

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all the native plants (except the planted dune grass) also. These plants, along with the dune grass, are important assets in erosion control.

The meeting adjourned at 10.10 a.m.

**Guidelines for Management of Community-Owned Forested Areas in Cape George**

**Primary goals of management:**

**1. Maintain the areas to maximize their value to the community.** As stated in our covenants, “No trees or natural shrubbery shall be removed unless approved in writing by the undersigned Cape George Land Co. Inc., it being the intention to preserve all natural growth of any kind”

- A. Minimize fire hazard
- B. Control noxious weeds
- C. Prevent danger to occupants, and property (including infrastructure)
- D. Maintain surface drainage and hydrology

**2. Perform appropriate maintenance in the most practical and economical ways.** First, cause no harm. Wooded areas should not be used to dump yard waste, soil, compost or firewood. These activities increase fire danger and damage native vegetation, making space for weeds, and spread seeds. Traffic and disturbance associated with these activities damages soil and tree roots and further stimulates the spread of weeds. In a healthy forest the normal accumulation of fallen limbs and leaves decompose and maintain a soil for understory plants. Most of these plants in our area are not a significant fire hazard if left in their natural state. They hold moisture and retard runoff. When native undergrowth must be removed it should be replaced with appropriate natives to minimize sprouting of weeds.

**3. Adhere to best environmental practices.**

**Marina Committee Minutes - July 5, 2016**

Harbormaster Penny Jensen convened the meeting in the marina shop at about 11:05 am. Fifteen members were present.

Penny reported that he memorial fund balance stands at \$7457.

Mike Heckinger reported that Committee Chair Craig Muma encountered mechanical problems off the coast of BC, but is back tracking the Race to Alaska.

Gary Rossow reported that the annual dredging of the harbor entrance has gone well, and that depth should be at about minus 3 feet. The cost was not known, but was expected to be less than the \$12,000 budgeted.

CAPE GEORGE COLONY CLUB  
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July 14, 2016  
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Penny reported that the weather station has been installed at the marina and is accessible via Weather Underground.

Penny reported that the annual Waterfront Festival is planned for August 27. The committee decided not to stage the "open boat" feature.

Richard Woodcock inquired about the need to dredge the marina basin. The existing permit allows for this, but there has been no estimate of what it would cost. Richard was appointed to obtain one or more estimates.

The meeting was adjourned at 11:45 am.

--Ross Anderson

**Building Committee - June 30, 2016**

SUBJECT: June Report

Building Permits Issued:

Anne Weaver & Bobbie Hasselbring, 42 Quinault Loop, build a greenhouse  
Anne Weaver & Bobbie Hasselbring, 42 Quinault Loop, build a shed  
Brad Taylor, 241 Colman Dr, build a shed

Earthworks Permits Issued:

Matt McDonough, Colman Drive, Div 7, Block 14, Lot 38, install a Glendon septic system  
Lisa Flanders, 151 N Palmer, excavate for pipe lines for propane tank

**WATER ADVISORY COMMITTEE - JULY 12, 2016**

The meeting was held at 5:00 pm at the Ed Skowyrza Memorial Water Facilities. The following attended: Art Burke, Manager; Greg Rae, Water Manager; Karen Krug, Board Liaison; Larry Southwick, Committee Chair; and members Scott James, Stewart Pugh and Thad Bickling.

1. Emergency Preparedness – we continued to discuss updating the Earthquake Emergency Response Plan. (See April, May and June meeting reports). We met on-site in order to walk through the procedures for a partial shutdown of the water system. The plan is to isolate three of the four water tanks by closing valves while allowing one tank (#6) to remain in service and keep the system pressurized to avoid many issues associated with a complete shutdown. There is one valve in the emergency generator building that can

CAPE GEORGE COLONY CLUB  
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accomplish that or three valves in the yard between the three tanks (valve boxes painted blue). There might be a benefit to closing the three outside valves in case there is any damage to one or more of the tanks that potentially would waste water from all three instead of just the damaged tank(s). Note, it takes 27 complete turns of the valve to shut it; turn it clockwise until it won't turn further. We used the valve key and closed one valve and re-opened it just to get a feel for it (this one turned very easily both ways).

We need to include instructions for emergency responders to walk around all tanks to inspect for damage or leaks after an earthquake. (that will be a problem if it's #6). We also need to keep a drinking water hose (RV hose) at the tanks for filling the large truck-mounted water tank if needed for distributing water if/while the system is shut down. (Not discussed but my addition, that tank needs to be sterilized with Clorox before using it for water distribution).

We also need to add instructions to shut valves to the Highlands system (Greg and Donnie to work out procedure).

Larry and Thad to get together and work out a final draft that works for both committees.

2. The Dept. of Health Sanitary Survey of our water system is now scheduled for August 25 at 1pm. (no change, just a carryover)
3. Art and Greg reported that they are working with an owner in the Highlands regarding low water pressure on the weekends. Still haven't confirmed just what/how that's happening; might be in the owner's system because we're not getting other complaints.

The next meeting will be on **August 2, 2016 at 5 pm at the Office.**

CAPE GEORGE COLONY CLUB  
SPECIAL BOARD OF TRUSTEES MEETING  
JULY 16, 2016

**Vice President Ray Pierson called the meeting to order at 2:35 pm.**

**In Attendance:** Ray Pierson, Carol Wood, Karen Krug, Raul Huerta & Katie Habegger

**Election of Officers:**

**Motion 1:** Ray Pierson moved and Katie Habegger seconded to elect Richard Hilfer as President. Passed 5/0

**Motion 2:** Carol Wood moved and Karen Krug seconded to elect Katie Habegger as Vice President. Passed 5/0

**Motion 3:** Ray Pierson moved and Carol Wood seconded to elect Leslie Fellner as Secretary. Passed 5/0

**Motion 4:** Ray Pierson moved and Carol Wood seconded to elect Karen Krug as Treasurer. Passed 5/0

**Motion 5:** Karen Krug moved and Ray Pierson seconded to accept the 2016/2017 calendar with a couple of changes in October as presented to the Board. Passed 5/0

New Board liaisons for the committees and the annual review and approval of bank signatories were deferred to the August Board Meeting.

The Trustees present signed the FIN10 Conflict of Interest Policy Signature form, which will be maintained for our records.

**Adjournment**

Carol Wood moved and Karen Krug seconded to adjourn the meeting. Passed 5/0

The meeting was adjourned at 2:42 pm.

**Submitted by:**

**Approved by:**

\_\_\_\_\_  
Katie Habegger, Secretary

\_\_\_\_\_  
Ray Pierson, Vice President

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 11, 2016  
7:00 PM

**President Richard Hilfer called the meeting to order at 7:01 p.m.**

**Welcome**

**In Attendance:** Richard Hilfer, Carol Wood, Katie Habegger, Karen Krug, Leslie Fellner, Ray Pierson and Raul Huerta

**Action on Minutes:** Leslie Fellner moved and Ray Pierson seconded to approve the minutes of the Regular Board Meeting July 14, 2016 and Special Board Meeting July 16, 2016. Passed - 6/0

**Membership Report:** Leslie Fellner

Gary & Terry Garrison purchased 90 Dennis Blvd from Ken & Helen Brink ( June 30)

John & Tarna McCurtain purchased lot 38-3 San Juan Dr from Roy & Pat Waugh ( July 12)

Barton & Louise Kavruck purchased lot 9-4 S Palmer from Kip Lilly ( July 2)

William Will purchased 191 Maple Dr from George & Melceena Mowbray ( July 15)

**Treasurers Report:** Karen Krug

As of July 31, 2016

A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website and are also available for review in the office.

NOTE: The 2017 budget process has been modified to streamline preparation and reduce the potential for special meetings. Review of internal reserve study updates will occur in August; discussions on 2017 reserve projects for Member approval as well as discussions on labor rates and assessment will occur in September; the final operating budget review will occur in October.

**2016 Balance Sheet comments:**

Bank statements from all financial institutions have been received and reviewed and all accounts have been reconciled with no exceptions. All financial institutions are within FDIC/NCUA limits. In July, there was a \$65,000 transfer between the two operating checking accounts to keep tow of the financial institutions (FIs) within FDIC limits.

The CD at Peninsula Credit Union matured on 7/24/16 with a final value of just under \$72,000. The matured funds are currently in the general share account at PCU but will likely be moved to 1st Security for ease of overall cash management.

There are pending draws against the Berm special assessment account of about \$470. After those draws the balance in that account will be around \$170 or \$0.26 per equivalent lot. It is recommended that the account be closed and the remaining funds transferred to the General Savings account. Any minor remaining project invoices will be paid from general operations checking. A final project accounting will be provided with August financials.

**OVERALL OPERATING COMMENTS**

Overall year-to-date operating results are considerably more favorable than the budget. About one-third of the overall favorable performance is attributable to higher than projected revenues and the remainder attributable to lower than

**CAPE GEORGE COLONY CLUB**  
**BOARD OF TRUSTEES MEETING**  
**August 11, 2016**  
**7:00 PM**

projected repair and maintenance costs couple with lower than projected labor costs. When compared to the prior year's performance, combined net income is running slightly behind but this is primarily the result of planned increased costs in contract service expenses in water and marina.

**GENERAL OPERATIONS**

Through the end of July, general operations are performing significantly better than budget. Revenue is about \$6,200 higher than budget due mostly to donations and repairs and maintenance are nearly \$6,800 under budget. Labor also exhibits a very large favorable variance some of which will likely moderate by year end.

**WATER OPERATIONS**

Water operations, like general operations, are performing significantly better than budget. Year-to-date water revenues are \$4,800 higher than budgeted, a combination of additional water hookups during the year and higher than budgeted excess water use fees. Repairs and maintenance are \$5,400 lower than budget with favorable variances in labor and utilities adding to the positive performance.

**MARINA OPERATIONS**

Marina operations are performing slightly ahead of budget. The change is due to a narrowing of the revenue gap coupled with savings on this summer's channel dredging. This year it was decided to forgo additional rock on north jetty saving about \$3,000 in dredging costs.

<b>CAPE GEORGE COLONY CLUB</b>						
<i>Balance Sheet as of July 31, 2016 and 2015</i>						
<b>Assets</b>	<b>2016</b>	<b>2015</b>		<b>Liabilities and Fund Balances</b>	<b>2016</b>	<b>2015</b>
Cash and Cash Equivalents:				Current Liabilities:		
Operating Fund Checking	\$ 189,008	\$ 147,495		Accounts Payable & Other Liabilities	\$ 8,779	\$ 8,922
Operating Investment-Savings	88,018	105,054		Unearned Income General/Water/Etc.	33,270	29,289
Petty Cash (2 accounts)	600	600		Unearned Income Other	-	-
Reserves - General, Water & Marina	580,677	426,786		Unearned Income Marina Wait List	1,250	1,300
Special Assmnts(Berm/Sseawall)	673	57,640		Due to General Reserve (Loan)	-	19,485
<b>Routine Reserve Assessment**</b>	<b>93,604</b>	<b>92,366</b>		<b>Total Current Liabilities</b>	<b>43,299</b>	<b>58,996</b>
Total Cash & Equivalents	<b>952,580</b>	<b>829,941</b>				
				North Seawall Assessment Liability	-	-
Net Accounts Receivable	13,258	16,561		South Seawall Assessment Liability	-	-
Due from S. Seawall Reserve (Loan)	-	19,485				
Net SpclAssmnts Receivalbe	-	10,102		<b>FUND BALANCES:</b>		
Total Net Fixed Assets	1,831,590	1,787,260		Fund Balances (Combined	2,507,695	2,352,351
Total Prepaid & Other Assets	30,762	30,534		Modified Cash Basis CY Income*	277,196	282,536
<b>TOTAL ASSETS</b>	<b>\$2,828,190</b>	<b>\$2,693,883</b>		<b>Total Liabilities and Fund Balance</b>	<b>\$2,828,190</b>	<b>\$2,693,883</b>



CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 11, 2016  
7:00 PM

**Manager's Report:** Art Burke

Donnie and I re-scoped the culvert on Sunset Blvd and aside from a couple of rocks and branches we did not find any breaks in the line reviewed. Our next step in exploring the wet soils at the west end of that culvert will be to do some digging with the backhoe to determine if any other drain lines can be found.

The office received a report that a member had been injured in the Fitness Room on May 27<sup>th</sup> while using a treadmill. Our insurer was notified and a claims adjuster has begun the process of gathering information related to the incident.

Work is underway to place an additional water heater in service at the pool changing rooms.

Work on preparing for the 2017 budget is underway.

Preliminary work is underway for the installation of a dehumidification system in the pool building. The pool will be closed beginning September 11 through September 29. The closure will include access to the pool changing rooms.

As the third cycle of lot mows was getting underway, our contracted lot mow person quit. We are working toward finding a replacement as quick as possible.

There have been a couple of new items added to the Cape George website over the past month including a link to the new weather station (at the bottom of the home page) and the addition of a separate tab linking you to Annual Membership Meeting Minutes (located in the Board section).

Projects being worked on by the Caretaker and Assistant Caretaker:

- The red barn underwent an extensive cleanout of items that have accumulated over the last couple of years.
- Tansy Ragwort removal along community roads.

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

- Complaint of Murrey's Disposal truck speeding in the Colony
- Complaint of Tansy Ragwort on numerous properties in the Colony and Village
- Property maintenance complaint in the Village
- Report of engine parts being dumped on community property in the Village
- Hedge complaint in the Colony

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Water and Building.

The reports are attached to these minutes and incorporated by reference.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 11, 2016  
7:00 PM

**Information Items:**

- A. The Trustees discussed potential changes to the Articles of Incorporation which would be presented to the voting membership later this year.
- B. The Trustees discussed potential changes to the Building and Property Regulations. The Building Committee will be asked to review the discussion points and provide recommendations for possible changes that would then be presented to the voting membership later this year.
- C. The manager provided updates concerning the pool dehumidification project timeline. The pool will be closed starting on Sunday, September 11th and reopen on Friday, September 30th (tentative).

**Member participation:** Committee chair, Craig Muma introduced himself to the Trustees.

**New Business Action Items:**

**Motion 1:** Carol Wood moved and Katie Habegger seconded to accept the resignation of Harbormaster Penny Jensen and thank her for her outstanding service to the marina community. Passed – 6/0

**Motion 2:** Leslie Fellner moved and Carol Wood seconded to approve the putting / chipping green, including one cup and flag, proposed for the common area behind the Cape George office. Passed-6/0

**Motion 3:** Karen Krug moved and Leslie Fellner seconded, as required by FIN08 and based upon the detailed listing dated 8/10/2016 and made part of this motion by reference, the five financial institutions, the eleven accounts at those various financial institutions and listed signers on each of those various accounts be authorized. Passed-6/0

**Motion 4:** Katie Habegger moved and Ray Pierson seconded to approve appointment of Committee Chairs and members where required as presented and amended at the Study Session. Passed-6/0

**Motion 5:** Karen Krug moved and Katie Habegger seconded, as required by FIN08, the internal changes to the three reserve studies as outlined in memos from the Manager dated August 11, 2016 and August 5, 2016, be approved. Passed-6/0

**Motion 6:** Carol Wood moved and Leslie Fellner seconded to approve Resolution 8/01/16 to transfer \$496.69 from the Berm Account to Operations Checking for rebuilding of the salmon BBQ pit and horseshoe court – Blake Sand and Gravel \$423.31, Blake Sand & Gravel refund (\$368.96), Carl's Building Supply \$29.00, Cotton Redi-Mix \$333.81, Henery Hardware \$79.53. Passed-6/0

**Motion 7:** Karen Krug moved and Ray Pierson seconded, that effective no later than August 22, 2016, the Berm Special Assessment account be closed and any remaining balance at that time be transferred to the General Operations Savings account. Passed-6/0

**Motion 8:** Leslie Fellner moved and Raul Huerta seconded to approve 3 due date adjustments from 2 members. Passed-6/0

**Motion 9:** Katie Habegger moved and Ray Pierson seconded to decline to take any action on a member's request for waiver of a late fee. Passed-6/0

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 11, 2016  
7:00 PM

**Motion 10:** Katie Habegger moved and Leslie Fellner seconded to approve the request allowing Safeway Pharmacy staff to offer flu and pneumonia vaccinations and whooping cough immunizations on Tuesday, September 20<sup>th</sup> in the Cape George Clubhouse. Passed-6/0

**Open Board Discussion:**

**Announcements:**

- A. Study Session – September 13, 2016 3:00 P.M.
- B. Board Meeting – September 15, 2016 7:00 P.M.

**Adjournment:** Ray Pierson moved and Leslie Fellner seconded to adjourn the regular session and move to the Executive session for discussing a possible communication with legal counsel at 7:32 pm. Passed –6/0

**Adjournment of Executive Session:** Raul Huerta moved and Ray Pierson seconded to adjourn the executive session at 7:55 pm. Passed 6/0

**Motion 11:** Richard Hilfer moved and Karen Krug seconded to amend the building committee charter to state that committees that exercise the authority of the board should have 2 or more members of the board on that committee. The Building Committee will consist of a minimum of 5 members, 2 of which shall be members of the board of directors. Passed – 5/1

**Motion 12:** Richard Hilfer moved and Katie Habegger seconded to appoint Karen Krug and Raul Huerta to the building committee. Passed – 5/1

**Adjournment:** Ray Pierson moved and Katie Habegger seconded to adjourn the general session at 7:59 pm. Passed – 6/0

**Submitted by:**

**Approved by:**

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Leslie Fellner, Secretary

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Richard Hilfer, President

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 11, 2016  
7:00 PM

**Building Committee - August 1, 2016**

SUBJECT: July Report

Building Permit Issued:

Barbara Solomon: 488 S Palmer Dr, Colony, build a new house

Excavation Permits Issued:

Barbara Solomon: 488 S Palmer Dr, excavate for a new house

Colleen Johnson: 41 Quinault Loop, excavate to replace failed septic system

Occupancy Permit:

Noah Middleton: 41 Dennis Blvd, has provided us with a Certificate of Occupancy issued by Jefferson County Department of Community Development, 6/23/16, showing that the project passed its final inspection and received final sign off. The Building Committee has finalized this project and closed the file on it.

Submitted by Ann Simpson

**WATER ADVISORY COMMITTEE - AUGUST 2, 2016**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water Manager; Larry Southwick, Committee Chair; and members Scott James, Stewart Pugh and Thad Bickling.

1. Emergency Preparedness – we continued to discuss updating the Earthquake Emergency Response Plan. (See April-July meeting reports). We're still discussing what level of earthquake would trigger the emergency responders to shut down the water system as described in the draft. Someone should inspect the Water Facilities for damage immediately after every earthquake, regardless of the level. The decision to close the valves as described would not harm anything as long as the one tank is left online to keep the system pressurized. We discussed running a test or exercise to close the three tanks during normal operating conditions and then monitor the drawdown in tank #6 that's left online to see what 'normal' drawdown would look like to use for comparison to an emergency event that could involve water main breaks.

We need to delete or modify the instruction that says for the operator to drive around the entire water system and shut all of the valves. That's likely not necessary and would take a lot of resources and time during an emergency

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 11, 2016  
7:00 PM

response. They should drive the entire system and look for any obvious water main breaks or leaks and shut those locations only.

In the event of an earthquake, the silt in the water lines will be shaken loose and will discolor all of the water for some time so we need to notify residents to expect dirty looking water, to consider all water potentially unsafe and to boil water for consumption. That will be a problem if the power is out.

2. The Dept. of Health Sanitary Survey of our water system was postponed again, no new date yet.
3. Art asked the members if they wish to be re-appointed to the Water Advisory Committee for another year and all agreed.
4. Budget – Art said that the reserves plan has water projects listed for 2017: re-roof buildings at the Water Facilities, and replace the filter media. All agreed to move both projects forward for four years. Some of the roofs are new and the filter media seems to be fine. The reserve plan also includes replacement of the pickup truck in 2017 with half of the funding coming from the water reserves and that needs to be included in the budget; all agreed. Greg asked that we include the addition of a high water level alarm on Tank 4 that would connect to the auto-dialer to notify us if the tank is too full. Much of that would entail electrical work to connect the float switch to the auto-dialer. He also asked that we include reservoir inspection and cleaning as we did several years ago. Art has the information from the previous project which included just cleaning the floors. This time we should also clean the tank walls.
5. Art said that the same resident/customer has again (3<sup>rd</sup> time) cut the wiring from the water meter to the transducer that allows for remote meter reading. She denies having anything to do with it. That requires the replacement of the unit at our expense. Greg suggested we just leave it and do a manual read (the only one of over 500 meters to read). Art suggested they might screw the meter box closed which would make it less easily tampered with but also more difficult to access it in an emergency.

The next meeting will be on **September 13, 2016 at 5 pm at the Office. (NOTE: second Tuesday)**

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 11, 2016  
7:00 PM

**Cape George Colony Club  
Committee Chairs for 2016-2017 and Board Liaisons**

<b>Name of Committee</b>	<b>Chairperson</b>	<b>Telephone #</b>	<b>E-mail address</b>	<b>Board Liaison</b>
Building	Ann Simpson	379-9105	lhann173@aol.com	
	Bill Deckman	385-9769	wdeckman@q.com	
Emergency Preparedness	Thad Bickling	379-1781	trbickling@msn.com	Raul Huerta
Election	Joyce Skoien	379-9749	rjskoien@gmail.com	Leslie Fellner
	Scott James	379-2570	csjamescg@gmail.com	
Environmental	Kitty Rucker	385-4927	kittyrucker@gmail.com	Katie Habegger
Finance				
Fitness	Phyllis Ballough	344-3706	phylab1@aol.com	Katie Habegger
Harbormaster	Richard Woodcock	316-9747	rhw611@gmail.com	-----
Marina	Craig Muma	209-604-6305	cruiseoncw@gmail.com	Carol Wood
Nominating	Kitty Rucker	385-4927	kittyrucker@gmail.com	-----
Pool	Neil D'Acquisto	385-7625	rock@pointwilson.com	Leslie Fellner
Roads	Larry Southwick	379-2878	larrysouth@cablespeed.com	Ray Pierson
Water	Larry Southwick	379-2878	larrysouth@cablespeed.com	Ray Pierson
Workshop	Marta Favati	563-940-1457	mommamarta@gmail.com	Ray Pierson

Social Club – Norma Lupkes, 302-5202, Mary Hilfer, 379-0492  
 Welcome Sub Committee Chair –Jo Nieuwsma, 310-245-7272  
 Memorial Sub Committee Chair – Jeannie Ramsey, 360-385-1263  
 Cape George University – Kyanne & Roger Anderson, 360-379-5225

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 11, 2016  
7:00 PM

**2016-2017 Committee Chairs and Members**

**Building Committee**

Co-Chair- Ann Simpson

Co-Chair – Bill Deckman

Members – Roger Andersen, Michael McDonald, Michael Hinojos, Steve Mitchel, Bill Woodson,  
Karen Krug & Raul Huerta

**Emergency Preparedness Committee**

Chair – Thad Bickling

**Election Committee**

Co-Chair – Joyce Skoien

Co-Chair – Scott James

**Environmental Committee**

Chair – Kitty Rucker

**Finance Committee**

Chair – unfilled

Members – Barbara Barnhart

**Fitness Committee**

Chair – Phyllis Ballough

**Marina**

Committee Chair – Craig Muma

Harbormaster – Richard Woodcock

**Nominating Committee**

Chair – Kitty Rucker

**Swimming Pool Committee**

Chair – Neil D'Acquisto

**Roads Committee**

Chair – Larry Southwick

Members – Robert Holtz, Scott James, Varn Brooks

**Workshop Committee**

Chair – Marta Favati

**Water Committee**

Chair – Larry Southwick

Members – Thad Bickling, Scott James, Stewart Pugh, Greg Rae

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
SEPTEMBER 15, 2016  
7:00 PM

**President Richard Hilfer called the meeting to order at 7:00 p.m.**

**Welcome**

**In Attendance:** Richard Hilfer, Carol Wood, Katie Habegger, Karen Krug, Leslie Fellner, Ray Pierson and Raul Huerta

**Action on Minutes:** Leslie Fellner moved and Ray Pierson seconded to approve the minutes of the Regular Board Meeting of August 11, 2016. Passed - 6/0

**Membership Report:** Leslie Fellner

Judith Gelwicks purchased 184 Quinault Lp from Mary Logan Rothschild (Aug 9)  
Janet Battenwieser and Matthew Wiley purchased 30 N Rhody from Linda Sanders (Aug 8)  
Lad & Burke Burgin purchased 65 W Vancouver from Kathleen Raab (Aug 10)  
Mark & Bianca Thayer purchased 391 Victoria Loop from James Ramirez (Aug 5)  
RDRC Properties purchased lot40 Hemlock from Patricia Schmitz (Aug 4)  
Jeff & Linda Hutchinson purchased lot 30 S Rhody from Steve & Elizabeth Corbett (Aug 8)  
Fayla Schwartz & Allegra Klein purchased 424 Colman Dr from James & Janet Tough (Aug 16)  
Sonja Ericson purchased 23 Vancouver Dr from Peter & Robin Downey (Aug 16)  
Steven Duniho & Ray Graves purchased lot 12 Cresthaven N Palmer from Keith Slattery (Aug 19)  
Edward & Marcie Glenn purchased 191 Huckleberry Pl from Joanina Brandkamp (Aug 24)  
John & Valerie McIlroy purchased 64 Pine Dr from Helen Rector & Bob Powers (Aug 26)  
Richard & Heather Wiersema purchased 52 San Juan Dr from John Gieser (Aug 29)  
Robert & Ellen Niemitalo purchased 261 Sunset from Janet Isherwood (Aug 31)

**Treasurers Report:** Karen Krug

As of July 31, 2016

A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website and are also available for review in the office.

NOTE: The 2017 budget process has been modified to streamline preparation and reduce the potential for special meetings. Review of internal reserve study updates will occur in August; discussions on 2017 reserve projects for Member approval as well as discussions on labor rates and assessment will occur in September; the final operating budget review will occur in October.

**2016 Balance Sheet comments:**

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The CD at Peninsula Credit Union matured on 7/24/16 with a final value of just under \$72,000. The matured funds are currently in the general share account at PCU but will likely be moved to 1st Security for ease of overall cash management.

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
SEPTEMBER 15, 2016  
7:00 PM**

There are pending draws against the Berm special assessment account of about \$470. After those draws the balance in that account will be around \$170 or \$0.26 per equivalent lot. It is recommended that the account be closed and the remaining funds transferred to the General Savings account. Any minor remaining project invoices will be paid from general operations checking. A final project accounting will be provided with August financials.

**OVERALL OPERATING COMMENTS**

Overall year-to-date operating results are considerably more favorable than the budget. About one-third of the overall favorable performance is attributable to higher than projected revenues and the remainder attributable to lower than projected repair and maintenance costs couple with lower than projected labor costs. When compared to the prior year's performance, combined net income is running slightly behind but this is primarily the result of planned increased costs in contract service expenses in water and marina.

**GENERAL OPERATIONS**

Through the end of July, general operations are performing significantly better than budget. Revenue is about \$6,200 higher than budget due mostly to donations and repairs and maintenance are nearly \$6,800 under budget. Labor also exhibits a very large favorable variance some of which will likely moderate by year end.

**WATER OPERATIONS**

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**MARINA OPERATIONS**

Marina operations are performing slightly ahead of budget. The change is due to a narrowing of the revenue gap coupled with savings on this summer's channel dredging. This year it was decided to forgo additional rock on north jetty saving about \$3,000 in dredging costs.

<b>CAPE GEORGE COLONY CLUB</b>						
<i>Balance Sheet as of July 31, 2016 and 2015</i>						
<b>Assets</b>	<b>2016</b>	<b>2015</b>		<b>Liabilities and Fund Balances</b>	<b>2016</b>	<b>2015</b>
Cash and Cash Equivalents:				Current Liabilities:		
Operating Fund Checking	\$ 189,008	\$ 147,495		Accounts Payable & Other Liabilities	\$ 8,779	\$ 8,922
Operating Investment-Savings	88,018	105,054		Unearned Income General/Water/Etc.	33,270	29,289
Petty Cash (2 accounts)	600	600		Unearned Income Other	-	-
Reserves - General, Water & Marina	580,677	426,786		Unearned Income Marina Wait List	1,250	1,300
Special Assmnts(Berm/Sseawall)	673	57,640		Due to General Reserve (Loan)	-	19,485
<b>Routine Reserve Assessment**</b>	<b>93,604</b>	<b>92,366</b>		<b>Total Current Liabilities</b>	<b>43,299</b>	<b>58,996</b>
Total Cash & Equivalents	952,580	829,941		North Seawall Assessment Liability	-	-
				South Seawall Assessment Liability	-	-
Net Accounts Receivable	13,258	16,561				
Due from S. Seawall Reserve (Loan)	-	19,485		<b>FUND BALANCES:</b>		
Net SpclAssmnts Receivalbe	-	10,102		Fund Balances (Combined)	2,507,695	2,352,351
Total Net Fixed Assets	1,831,590	1,787,260		Modified Cash Basis CY Income*	277,196	282,536
Total Prepaid & Other Assets	30,762	30,534				
<b>TOTAL ASSETS</b>	<b>\$2,828,190</b>	<b>\$2,693,883</b>		<b>Total Liabilities and Fund Balance</b>	<b>\$2,828,190</b>	<b>\$2,693,883</b>

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<b>Summary Revenue and Expense Statements for the periods ended July 31, 2016 and 2015 respectively (Modified Cash Basis)</b>									
<b>2016 Year to Date</b>					<b>COMPARATIVE</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>		<b>2016 YTD</b>	<b>2015 YTD</b>	<b>Variance</b>	<b>%</b>
General Assessment	\$ 214,806	\$ 214,806	-	0%	General Assessment	\$ 214,806	\$ 214,806	\$ -	0%
Revenue - All Other Sources	17,887	11,676	6,211	53%	Revenue - All Other Sources	17,887	14,827	3,060	21%
<b>Total General Revenue</b>	<b>232,693</b>	<b>226,482</b>	<b>6,211</b>		<b>Total General Revenue</b>	<b>232,693</b>	<b>229,633</b>	<b>3,060</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	76,882	81,115	4,233	5%	Salaries, Benefits, PR Tax	76,882	74,957	(1,925)	-3%
Repairs & Maintenance	6,410	13,168	6,758	51%	Repairs & Maintenance	6,410	6,894	484	7%
Contracted Services	22,888	24,731	1,843	7%	Contracted Services	22,888	23,938	1,050	4%
Insurance	10,945	12,496	1,551	12%	Insurance	10,945	12,712	1,767	14%
Pool Expense	10,752	11,958	1,206	10%	Pool Expense	10,752	8,530	(2,222)	-26%
Other Expenses (incl taxes)	18,533	14,916	(3,617)	-24%	Other Expenses (incl taxes)	18,533	14,742	(3,791)	-26%
<b>Total General Expenses</b>	<b>146,410</b>	<b>158,384</b>	<b>14,385</b>		<b>Total General Expenses</b>	<b>146,410</b>	<b>141,773</b>	<b>1,376</b>	
<b>General Net Income</b>	<b>\$ 86,283</b>	<b>\$ 68,098</b>	<b>\$ 18,185</b>	27%	<b>General Net Income</b>	<b>\$ 86,283</b>	<b>\$ 87,860</b>	<b>\$ (1,577)</b>	-2%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 138,510	\$ 137,970	\$ 540	0%	Revenue - Water Use Fees	\$ 138,510	\$ 137,970	\$ 540	0%
Revenue - All Other Sources	6,293	2,000	4,293	215%	Revenue - All Other Sources	6,293	3,254	3,039	93%
<b>Total Water Revenue</b>	<b>144,803</b>	<b>139,970</b>	<b>4,833</b>		<b>Total Water Revenue</b>	<b>144,803</b>	<b>141,224</b>	<b>3,579</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	34,519	36,877	2,358	6%	Salaries, Benefits, PR Tax	34,519	33,697	(822)	-2%
Repairs & Maintenance	849	6,286	5,437	86%	Repairs & Maintenance	849	930	81	9%
Contracted Services	10,344	10,115	(229)	-2%	Contracted Services	10,344	7,501	(2,843)	-38%
Insurance	5,744	6,558	814	12%	Insurance	5,744	6,770	1,026	15%
Other Expenses (incl taxes)	22,016	23,864	1,848	8%	Other Expenses (incl taxes)	22,016	19,696	(2,320)	-12%
<b>Total Water Expenses</b>	<b>73,472</b>	<b>83,700</b>	<b>10,228</b>		<b>Total Water Expenses</b>	<b>73,472</b>	<b>68,594</b>	<b>(4,878)</b>	
<b>Water Net Income</b>	<b>\$ 71,331</b>	<b>\$ 56,270</b>	<b>\$ 15,061</b>	27%	<b>Water Net Income</b>	<b>\$ 71,331</b>	<b>\$ 72,630</b>	<b>\$ (1,299)</b>	-2%
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 54,667	\$ 55,500	\$ (833)	-2%	Revenue - Moorage/Parking	\$ 54,667	\$ 55,713	\$ (1,046)	-2%
Revenue - All Other Sources	9,227	9,278	\$ (51)	-1%	Revenue - All Other Sources	9,227	9,875	(648)	-7%
<b>Total Marina Revenue</b>	<b>63,894</b>	<b>64,778</b>	<b>(884)</b>		<b>Total Marina Revenue</b>	<b>63,894</b>	<b>65,588</b>	<b>(1,694)</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	7,453	8,039	586	7%	Salaries, Benefits, PR Tax	7,453	7,434	(19)	0%
Repairs & Maintenance	12,857	15,942	3,085	19%	Repairs & Maintenance	12,857	15,672	2,815	18%
Contracted Services	5,518	4,765	(753)	-16%	Contracted Services	5,518	1,247	(4,271)	-343%
Insurance	3,527	3,695	168	5%	Insurance	3,527	3,671	144	4%
Other Expenses (incl taxes)	5,652	4,794	(858)	-18%	Other Expenses (incl taxes)	5,652	5,349	(303)	-6%
<b>Total Marina Expenses</b>	<b>35,007</b>	<b>37,235</b>	<b>2,228</b>		<b>Total Marina Expenses</b>	<b>35,007</b>	<b>33,373</b>	<b>(1,634)</b>	
<b>Marina Net Income</b>	<b>\$ 28,887</b>	<b>\$ 27,543</b>	<b>\$ 1,344</b>	5%	<b>Marina Net Income</b>	<b>\$ 28,887</b>	<b>\$ 32,215</b>	<b>\$ (3,328)</b>	-10%
Routine Reserve	89,370	89,370	-		Routine Reserve	89,370	89,370	0	
Spcl Assmnt Income/Exp	1,027	-	1,027		Spcl Assmnt Income/Exp	1,027	(41)	1,068	
Reserve Interest - all	298	38	260		Reserve Interest - all	298	502	(204)	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 277,196</b>	<b>\$ 241,318</b>	<b>\$ 34,850</b>	15%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 277,195</b>	<b>\$ 282,535</b>	<b>\$ (6,408)</b>	-2%

\*\*Modified Cash Basis, Excludes Depreciation

KCK 08/10/15

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**Manager's Report:** Art Burke

The dehumidification project at the pool is underway. So far, everything is running according to the schedule established.

We have completed the Trustee changeover checklist.

The development of a draft 2017 budget is well underway.

Work is continuing on the drainage issues in the vicinity of the Workshop. Plans have been developed by Streamline Environmental and permit applications have been submitted to Jefferson County to rehabilitate the existing storm water collection facilities.

Projects being worked on by the Caretaker and Assistant Caretaker:

- Work is underway prepping for the pool dehumidification project and undertaking some tasks in the pool area during the project closure. This includes draining pool, inspecting walls and bottom, patching a couple spots, replace failing ladder, prepping to paint lines on bottom and reorganizing utility room.

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

- Report of four teenagers rough-housing in the pool.
- Report of landscape contractor burning weeds during burn ban.
- Report of trespassers in the Colony.
- Complaint of unmaintained property in the Colony becoming a fire hazard and attractive nuisance.
- Complaint of junk vehicle in the Village.
- Complaint of road encroachment in the Village.
- Multiple reports of a stray dog in the Colony.
- Report of a film crew visiting the Fitness Room without permission.
- Report of someone removing fence material from an unoccupied residence on Sunset Blvd. in the evening.
- Hedge complaint in the Colony.

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Building, Marina (2), Environmental and Water.

The reports are attached to these minutes and incorporated by reference.

**Information Items:**

- A. The agenda item to review a proposal from members concerning a community garden plot on common property was withdrawn at their request and will be discussed at a later date.
- B. A draft of the proposed changes to the Articles of Incorporation to be submitted to members for approval was reviewed and will be updated and included in the October budget packet of information.

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- C. A draft of the proposed changes to the Bylaws to be submitted to members for approval was reviewed and will be updated and included in the October budget packet of information.
- D. Trustees reviewed and heard comment from members concerning current and proposed improvements to the Clubhouse interior.
- E. Trustees discussed the policy on dates of payments under Due Date Adjustments.

**Member participation:** None

**New Business Action Items:**

**Motion 1:** Leslie Fellner moved and Katie Habegger seconded to approve the height variance request for Lot 29, Saddle Drive in the Highlands as recommended by the Building Committee. Passed-6/0

**Motion 2:** Katie Habegger moved and Carol Wood seconded to approve Marina Committee request to amend Cape George rule CP03 Marina Usage, section 2, #7 to require a boat title be provided for all boats registered in the marina beginning in 2017. Passed-6/0

**Motion 3:** Richard Hilfer moved and Carol Wood seconded to approve a new marina Annual Amenities Fee of \$25 per each annual moorage and \$5 per each annual rampage effective January 1, 2017. Passed -4/2

**Motion 4:** Leslie Fellner moved and Ray Pierson seconded to change the lot mow fee to \$85 per lot mow to reflect the current contractor costs. Passed-6/0

**Motion 5:** Leslie Fellner moved and Carol Wood seconded to increase the 2017 reserve assessment by \$4 per year, which is within the 2.5% allowed without a vote of the membership. Passed-4/3

**Motion 6:** Leslie Fellner moved and Ray Pierson seconded for 2017 we keep all assessments, fees, and fines other than the new Marina fees, lot mow fee and reserve assessment - at 2016 levels. Passed-6/0

**Motion 7:** Karen Krug moved and Ray Pierson seconded that the board recommend to the members to approve the proposed 2017 reserve expenditures as presented in the updated Exhibit E. Passed 6/0

**Motion 8:** Karen Krug moved and Katie Habegger seconded to approve the Letter of Engagement, dated August 26, 2016 and the \$5000 preparation fee from Cagianut & Company to perform 2016 audit and tax return services. Passed-6/0

**Motion 9:** Carol Wood moved and Ray Pierson seconded to approve three members requests for refunds as submitted by the Office Administrator. Passed-6/0

**Motion 10:** Leslie Fellner moved and Carol Wood seconded to approve a member request to establish a Payment Plan. Passed-6/0

**Open Board Discussion:**

It was discussed whether to invite Jefferson County Planning commissioners to hold a meeting at Cape George for community input and fact-finding regarding the county's 20 year plan on such items as transportation, building regulations and septic monitoring. Raul Huerta will see if there is county interest for such a meeting.

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There was an idea presented for adding articles to the newsletter, highlighting the dedication and hard work of our volunteers and the different projects around the community. Everyone attending seems to like the idea and it should move forward in coming newsletters.

The manager presented his recommendations for employee raises to the board. His recommendations are 3% to all employees except part time employees Sally Lovel at 5% and Chris Welcome at 3.3% since they do not receive other benefits. The board will further discuss them.

**Announcements:**

- A. Study Session – October 11, 2016 3:00 P.M.
- B. Board Meeting – October 13, 2016 7:00 P.M.

**Adjournment:** Carol Woods moved and Karen Krug seconded to adjourn the regular session and move to the Executive session to discuss employee evaluations at 8:05 pm. Passed –6/0

**Adjournment of Executive Session:** Karen Krug moved Raul Huerta seconded to adjourn the Executive Session and return to the regular session at 8:40 PM. Passed- 6/0.

**Motion 11:** Rich Hilfer moved and Ray Pierson seconded that 2017 employee compensation be increased as follows: For hourly employees who do not receive benefits, Sally Lovell to \$24/hour and Chris Welcome to \$16/hour. For full-time and exempt employees who receive benefits, a 3% increase.

**Adjournment:** Leslie Fellner moved and Ray Pierson seconded to adjourn the regular session at 8:41 PM. Passed 6/0.

**Submitted by:**

**Approved by:**

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Leslie Fellner, Secretary

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Richard Hilfer, President

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TO: Cape George Board of Trustees

FROM: Ann Simpson, Building Committee Chair

DATE: September 1, 2016

SUBJECT: August Report

Earthworks Permits Issued:

George Conner, 30 Maxwell Ave, Highlands, clearing for ancillary structure.

Variance Request Reviewed:

George Conner, 30 Maxwell, Highlands. Requests a variance from the 17 foot height regulation to build a home 25' 5".

In the September Newsletter, page 16, showing the 2016-2017 Committee Chairs and Members – Bill Woodson's name was not included as a member of the Building Committee. He is a current member of the committee and his name should have been included.

**Cape George Marina Meeting**

**Minutes for August 2, 2016**

Harbormaster Penny Jensen called the meeting to order at 11 am. About 15 members were present.

Penny announced that she needed to resign from the harbormaster post. She nominated Richard Woodcock for the position. The motion was seconded. The committee approved the appointment by a voice vote.

Penny announced that there is nearly \$8000 in the memorial fund.

Penny announced that the Waterfront Festival is on schedule for August 28. Attendance will be limited to 150.

Manager Art Burke asked that members review a list of potential reserve projects for the 2017 budget.

Members discussed the possibility of an updated survey of the marina to find out if will be necessary to dredge the marina in the near future. No decision was made.

The meeting was adjourned at 11:45 am.

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**Marina Committee Meeting Minutes 9/6/2016**  
**Submitted by Harbormaster Richard Woodcock**

- Meeting was called to order at 11:00 AM
- 15 members present including a welcome visit from our Board Liaison Carol “Woody” Wood
- Zincs on sea wall – current zincs approx. 50 % depleted – if we stay with current arrangement of welding zincs to sea wall we need to change out by end of this month to stay with daylight low LW tides. May need to stay with present system unless alternative is clear and understood very quickly. Alternative system known at Victoria, Sydney and Seattle/Tacoma seawalls where zincs are welded to a cable, and held in a basket, which is then welded to seawall above high water mark. Neptune Marine & Chris Brignolli from PT Shipwrights both know and approve of this method. Richard to research and return with findings.
- Regatta & Water Festival – members agreed to spend up to \$100 on purchase of three marker buoys for next year’s Regatta. Date agreed next year Saturday August 19<sup>th</sup> and club Room has been booked. Members were keen that the event should remain “free” to the community with the proviso that food is available “first come first served” until the food runs out. No ticket system next year. Penny Jensen is stepping down from running the Water Festival – thanks Penny. The Marina Committee recognizes the need to organize a replacement for Penny. Penny has led the charge for the Marina Festival for five years....Thank You Penny for an amazing five year success. The organization of the Sailing Regatta is planned to be done by Jim Bodkin and Ben Fellows with support and guidance from our 10 Year Veteran Regatta Organizer Gary Rossow. Thank you Gary for making this one of the highlight events of the year at Cape George. Marie Muma will be organizing the small boat flotilla next year. Handsome Jack reminded us that the Marina Festival has always been about honoring our past volunteers and a bit of that has been lost. Everyone agreed that next year we would pay more attention to honoring our irreplaceable volunteers.
- Harbormaster Richard floated the idea of having an open house separate from the Marina Festival. We heard from several visitors at the Marina Festival that they were looking forward to the boat tours; but it is impossible to tour boats when 22 of them are out racing in the Regatta. This proposed Open House would include inviting all members to tour boats on the docks that owners open up, a shop tour and orientation, a swimming pool and fitness room guided visit and a clubhouse reception. Horseshoes, Petanque, and a picnic would surely be included. Richard will be contacting the other committees involved for arrangements.
- Dredging update- Focus here on the marina basin dredging which has not been done for up to 20 years – bids are being arranged from contractors which could also include replacement of three pilings – actual form of method yet to be determined.
- Marina Rewiring and New Pedestal Project – local L & I group based in Port Angeles have decreed that in addition to GFI’s on each pedestal we need to install 3 additional GFI panels (2 @ south & 1 @ north) at an additional cost of \$12,000. We have information that other L&I districts in the state do not require both Pedestal and Panel GFI’s and that this is a “local” interpretation of the regulations. Consensus was that we need to carry out more research to potentially challenge this decision. We are looking for member residents that can offer some electrical expertise to help us challenge the ruling. In addition, there was felt to be a need to have the dock float project completed before electrical and plumbing installation – potentially focus float changeover on the remaining main docks rather than finger docks. Members agreed that the plumbing system would also be integrated with the new pedestals so both services run below dock walkways. We will use the same Polypipe

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that has shown good service to date but switch to Teflon fittings that are more durable as all of our leakage problems are associated with PVC fittings and joints.

- Minutes of Committee Meeting have had some gaps and a renewed focus on getting them recorded & submitted on time must take place. This will be arranged at subsequent meetings by Chair or Harbormaster with a “volunteer” member scribe.
- Electricity usage & revenue – shortfall of \$1500 – complex issue to be fair to all users – proposal to increase annual slip fee by \$1 per foot was not seen as a reasonable solution. After much discussion members agreed on a NEW Amenities Fee of \$25 per slip, including all ramp users, to contribute towards the cost of all the general amenities the Marina provides – propane, lighting, water, “Dockpower” (tools and equipment for maintenance) etc. The current “Shorepower” hookup charge of \$125 will remain in place even if use is occasional. Clear definitions and regulation reiteration to be included in the annual Marina Registration Form. It was also agreed that after two year’s this amenity fee would have to be evaluated and renewed.
- Water pressure reducer has been fitted to north side of Marina. Members agreed that a similar pressure reducer be fitted to the wash down pad. If more pressure required use the pressure washer.
- Rule change proposed and supported by members – under Rules & Regulations – Marina Usage – Moorage clause 7 – in addition to current boat registration and insurance, including Cape George as an additional insured, the member shall also provide a copy of the current boat title showing boat ownership details.
- Security of ramp & south parking area – Harbormaster keen to set up a Rota to ensure that this takes place in a timely and regular manner – agreement reached and rota to be organized. Jim Bodkin volunteered to assist.
- Yellow markings to be painted at ramp entrance to assist reversing down ramp
- Subject of South End Crab shack deferred to subsequent meeting
- \$100 donation recorded from a marina user unable to volunteer. Some marina users are unable to make the volunteer workdays and this member chose to help out monetarily. Thank you.
- Sediment research update – Stewart Pugh outlined research by a local marine research PhD directing students to gather data on tidal flow effects at varying depths just off our beach which could be of value to our own sediment research activity.  
Jim Bodkin continues to lead our in-house research project looking at how and where drift sediment accumulates during varying weather and tidal flow events.
- Round Robin – Gary mentioned that Paul Happel had again prepared and mounted photos of boats participating in the Regatta. In previous years this photo board was hung in the clubhouse for all to enjoy. Marta will contact Social Committee re hanging photo board in Club Room. Mike Thorwick reminded us of our in-house resources to measure and prevent galvanic corrosion from individual boats. Jim Bodkin highlighted the extent of the damage, presumed natural, to the invertebrate life that had been present within the marina. The consensus from the “experts” was that it was caused by oxygen depletion and it is important to note that it happened in several other locations during the same period.
- Meeting ended almost an hour late at 12:52 PM! Thank you committee for hanging with it.

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**ENVIRONMENTAL COMMITTEE MINUTES**  
**CAPE GEORGE CLUBHOUSE - Monday September 12, 2016**

**IN ATTENDANCE:** Ruth Asare, Bobbie Blinder, Art Burke, Christine Buzzard, Sue Dunning, Katie Habegger, Betty Hanks, Marta Krissovich, Naomi Nachun, Kitty Rucker, Robin Scherding, Linda Sutton

The meeting was called to order by Kitty at 9.20 a.m. The minutes of the last meeting were approved as circulated.

Fiscal report: Kitty reported that the Environmental Committee funds had been increased in the past month, primarily from donations from property owners for tansy ragwort clearance. The total now stands at \$2,950.99 (*these are not funds belonging to Cape George Colony*).

**OLD BUSINESS:**

**1. Community Garden:** Marta presented a summary of progress to date in the proposed establishment of a community garden in Cape George. Three meetings of interested participants have taken place, and potential sites have been investigated. The most suitable location found so far is on common property along the north side of Cape George Drive. Bringing water to this site would cost approximately \$500. The committee discussed at length the pros and cons of this highly visible site, and suggested that Marta also look into alternative sites on any vacant properties where owners have no plans for development. The committee requested that Marta attend next month's meeting with a more detailed plan for the proposed community garden's location, finances and ongoing maintenance.

**2. Memorial Park Weed Removal Program:** Kitty presented a written report from Kyann on the disappointing progress of the weed removal program. Rain had washed out the "Legend of the Garden" signs she had posted, and few weeds had been added to the new bin. The committee agreed to reimburse Kyann for laminating new signs, and agreed to have a weeding party on Thursday from 1-3 pm, September 15<sup>th</sup>.

**3. Tree round:** Kitty reported that she had heard some misinformation in the community about the location and plans for the 400 year old tree round. The round is now located in the beach picnic shelter, and Varn will work on adding more historical dating information to it.

**4. Tansy Ragwort:** Kitty reported that several properties had been cleared of large quantities of tansy ragwort by herself, Sue and Bill Dunning, Chris Buzzard, and Katie Habegger. The grateful property owners had made donations to the committee totaling \$260. Art commented that the response to his mailing had been good, and many owners had cleared their own sites. However, the noxious weed remains widespread in the county and is easily spread, so this will be an ongoing problem.

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**NEW BUSINESS:**

**1. Invasive Crab:** Kitty reported that she had forwarded by e-mail information on an invasive crab species recently found in Washington.

**2. Pines planted on berm:** Kitty reported she had received complaints from some dog owners on the location and condition of the three pines on the north end of the berm. It was discovered that the pines had been attacked by aphids, which had caused the needles to turn brown. The trees have been treated and should recover in time. The committee felt that the small trees were appropriate for the location at this time, but it was moved and approved unanimously that we monitor the situation.

**3. Amy's Tree:** Kitty reported that "Amy's Tree", the magnolia near the office, is flourishing, but deer have breached the existing netting and browsed the lower branches. A larger, more robust metal enclosure to protect the tree will cost around \$100 and can be installed by Kitty with Donny and Chris's help. It was moved and unanimously approved to fund the purchase of the new fencing. The tree's memorial plaque had recently been knocked down by a careless driver, and will be reattached to its concrete plinth. Art plans to install a couple of decorative boulders in the area to help keep cars on the paved surface.

**4. Prune Pine at Clubhouse:** Kitty had received a request that the pine outside the clubhouse be pruned. The committee inspected the pine, which is trimmed regularly by Betty and Donnie, and voted not to do any additional pruning.

**5. Fund Raising Dinner in October:** Kitty presented ideas for the event from Dennis, who was not able to be present at the meeting. After discussion, it was agreed that the event would be called "Grimm's Halloween Party", with a German/Halloween theme, and will be held Saturday, October 29th. The committee will furnish bratwurst, soy hot dogs, buns and condiments and a punch with dry ice for a misty, spooky effect. Attendees will be requested to bring potluck sides and desserts, with a prize for the best "themed" food creation. There will also be prizes for best "themed" costume and best carved pumpkin. Tickets to the event will be \$10. As a fund raiser, we will sell tickets for a 50/25/25 drawing. Tickets will be \$5 each or 3 for \$10, and the proceeds will be split 50% to the environmental fund and 25% to each of two winners. Robin will be in charge of a silent auction, if items for the auction can be obtained. Marta, Sue and Chris will work on decorations, and Dennis will be requested to take charge of music for the event. A notice will be posted in the October newsletter, and final details will be discussed at the next committee meeting.

**OTHER BUSINESS**

**1. Ravine Trail Steps:** Katie asked about the status of repairing or replacing the ravine trail steps. Art responded that the steps had been inspected, and it was decided that only a few of the steps needed replacement. This work will be done as time permits.

**2. Jefferson County Comprehensive Plan:** Linda explained to the committee the objectives of Jefferson County's community outreach program. The website [speakupjeffco.com](http://speakupjeffco.com) encourages community input on

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growth management, sustainability, transportation etc. and community meetings are held in various locations. The next meeting is in Brinnon on September 21<sup>st</sup>.

**ADJOURNMENT:** The meeting was adjourned at 11.00 a.m.

Respectfully Submitted: Katie Habegger

**WATER ADVISORY COMMITTEE MEETING REPORT, SEPTEMBER 13, 2016**

The meeting was held at 5:00 pm at the Office. The following attended: Greg Rae, Water Manager; Larry Southwick, Committee Chair; and member Stewart Pugh. Others were still at the Board Study Session.

1. Emergency Preparedness – Before the meeting, Larry sent out an updated draft incorporating input from previous meetings and discussion. Please review and comment before or at the next meeting. We're still talking about conducting a test of normal drawdown of tank 6 with the other 3 tanks closed off, not yet scheduled, maybe once in the winter and once again next summer.
2. Greg is also talking with a meter technician to calibrate the source meter and could schedule the above tank 6 drawdown test at the same time. He will have to locate a place to cut in a connection to the existing piping in order to install a calibration meter. Meter accuracy depends somewhat on the plumbing configuration and we have very confined space which limits the locations for best meter accuracy. Calibration can help resolve that issue. The source meter provides the basis for the water use efficiency report required by DOH so accuracy is important.
3. Stew reported that the most recent water meter run showed 20 leaks which includes those on Cape George connections, particularly the marina. Three of the owners deny that they have a leak and won't take corrective action, one insisting that Stew no longer call him about it. We also had 19 zero volume readings indicating vacant houses or snowbirds already flying south.
4. The Dept. of Health Sanitary Survey of our water system was postponed, no new date yet.
5. The letter directing members with backflow assembly valves to have them tested and submit the test reports to the office by October 15. Terri is already receiving test reports.
6. Greg said that a pump ran overnight which further shows the need for a high water level alarm to be installed and connected to the autodialer. Last meeting, Greg asked for that to be included in the next budget.
7. Karen and Scott arrived at the conclusion of our meeting and reported that Karen will no longer be our Board Liaison. Our thanks to Karen for her support and involvement. She has been with us since 2013. Our

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new Board Liaison member is Ray Pierson who also arrived after the Board Study Session. Welcome to Ray and we look forward to working with you.

The next meeting will be on **October 4, 2016 at 5 pm at the Office.**

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**President Richard Hilfer called the meeting to order at 7:00 p.m.**

**Welcome**

**In Attendance:** Richard Hilfer, Carol Wood, Katie Habegger, Karen Krug, Leslie Fellner, Ray Pierson and Raul Huerta

**Action on Minutes:** Leslie Fellner moved and Ray Pierson seconded to approve the minutes of the Regular Board Meeting of September 15, 2016. Passed - 6/0

**Membership Report:** Leslie Fellner

Jonah Trole purchased 11 Quinault Loop from Robert & Karen Gray

Dennis McDaniel purchased 350 S Palmer from Harlan Shober

**Treasurers Report:** Karen Krug

As of September 30, 2016

A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website. The detailed statements as well as additional monthly financial material and are also available for review in the office as are the quarterly internal control reports.

Much of the focus this month has been on the 2017 budget. A twelve page budget document and a three preliminary disclosure report were included in the published October Study Session material. As always, additional information is available for review in the Office. Any changes to the preliminary 2017 budget resulting from Study Session discussions will be incorporated into the final budget exhibits that will be published as part of the October Board material.

**2016 BALANCE SHEET COMMENTS**

Bank statements from all financial institutions have been received and reviewed. All accounts have been reconciled with no exceptions. Cash positions remain strong and all financial institutions are within the FDIC/NCUA limits.

Accounts payable are very high as of the end of September due to receipt of pool dehumidification invoices totaling \$62,500. There may still be a few outstanding invoices but it appears that the project will be completed well below the \$154,000 approved by Member vote. A final project update is expected in early November.

The Berm project, originally started with a 2014 special assessment, was completed and capitalized in September. The final accounting for that project is as follows:

<b>BERM PROJECT SUMMARY:</b>		<b>BERM PROJECT EXPENDITURES:</b>	
<i>Special assessment (\$80 each lot)</i>	\$ 52,960	<i>Permits, engineering, etc.</i>	\$ 19,936
<i>Less Bad Debts and Recoveries (net)</i>	(392)	<i>Major earthworks</i>	29,132
<i>Collected Cash available</i>	\$ 52,568	<i>Misc. stone &amp; earth works</i>	1,894
<i>Total Berm expenditures</i>	(52,392)	<i>Basic supplies, etc.</i>	1,430
<b>Deposited to General Savings</b>	<b>\$ 176</b>	<i>Total Expenditures</i>	<b>\$ 52,392</b>

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OVERALL OPERATING COMMENTS

Nine months of the current fiscal year have been completed and with only three months left and barring unforeseen events, the fiscal year will finish well ahead of budget. The majority of the combined favorable results are generated by repair and maintenance (RM) costs lower by \$19,500, labor costs lower by \$7,400, and revenues higher by \$13,000.

Lower RM expenses are seen in all three cost centers with the largest variance of \$9,900 occurring in general operations. This entire variance will be offset by the end of the year by the workshop drainage project.

Lower labor costs are evident in all three cost centers with the largest variance of \$4,100 occurring in general operations. It is expected that a portion of the variances in all three cost centers will diminish by year end but the year should still finish with lower than budgeted labor costs.

The higher than budgeted revenues occur in general operations and water operations. The \$8,000 favorable general operations revenue is from three primary variances: \$4,000 in donations; \$1,800 in bad debt recoveries; and \$1,000 in higher Clubhouse rentals. The donations and bad debt recoveries have been discussed in prior reports. The \$5,300 in favorable water revenues are related mostly to \$4,800 in new water hook-ups during the year.

Actual results through September 30, 2016 are nearly identical to the actual results through September 30, 2015.

CAPE GEORGE COLONY CLUB						
<i>Balance Sheet as of September 30, 2016 and 2015</i>						
Assets	2016	2015	Liabilities and Fund Balances		2016	2015
Cash and Cash Equivalents:			Current Liabilities:			
Operations Checking	\$ 154,229	\$ 127,140	Accounts Payable & Other Liabilities		\$ 73,688	\$ 9,129
Operating Investment-Savings	88,216	105,059	Unearned Income General/Water/Etc.		52,082	70,799
Petty Cash (2 accounts)	600	600	Unearned Income Other		-	-
Reserves - General, Water & Marina	580,730	426,864	Unearned Income Marina Wait List		1,300	1,150
Special Assmnts(Berm/Sseawall)	-	61,359	Due to General Reserve (Loan)		-	19,485
<b>Routine Reserve Assessment**</b>	98,659	103,015	Total Current Liabilities		127,070	#####
Total Cash & Equivalents	922,434	824,037	North Seawall Assessment Liability		-	-
Net Accounts Receivable	8,510	6,283	South Seawall Assessment Liability		-	-
Due from S. Seawall Reserve (Loan)	-	19,485				
Net SpclAssmnts Receivable	1,003	6,786	<b>FUND BALANCES:</b>			
Total Net Fixed Assets	1,894,162	1,787,260	Fund Balances (Combined)		2,507,695	2,352,351
Total Prepaid & Other Assets	25,047	24,851	Modified Cash Basis CY Income*		216,391	215,788
<b>TOTAL ASSETS</b>	<b>\$2,851,156</b>	<b>\$2,668,702</b>	<b>Total Liabilities and Fund Balance</b>		<b>\$ 2,851,156</b>	<b>\$2,668,702</b>

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Summary Revenue and Expense Statements for the periods ended September 30, 2016 and 2015 respectively (Modified Cash Basis)									
2016 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2016 YTD	2015 YTD	Variance	%
General Assessment	\$ 214,806	\$ 214,806	-	0%	General Assessment	\$ 214,806	\$ 214,806	\$ -	0%
Revenue - All Other Sources	24,346	16,297	8,049	49%	Revenue - All Other Sources	24,346	19,805	4,541	23%
<b>Total General Revenue</b>	<b>239,152</b>	<b>231,103</b>	<b>8,049</b>		<b>Total General Revenue</b>	<b>239,152</b>	<b>234,611</b>	<b>4,541</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	100,201	104,291	4,090	4%	Salaries, Benefits, PR Tax	100,201	96,734	(3,467)	-4%
Repairs & Maintenance	7,024	16,930	9,906	59%	Repairs & Maintenance	7,024	8,731	1,707	20%
Contracted Services	29,995	32,954	2,959	9%	Contracted Services	29,995	30,816	821	3%
Insurance	14,038	16,067	2,029	13%	Insurance	14,038	17,596	3,558	20%
Pool Expense	13,428	15,375	1,947	13%	Pool Expense	13,428	10,969	(2,459)	-22%
Other Expenses (incl taxes)	22,856	19,076	(3,780)	-20%	Other Expenses (incl taxes)	22,856	18,364	(4,492)	-24%
<b>Total General Expenses</b>	<b>187,542</b>	<b>204,693</b>	<b>18,984</b>		<b>Total General Expenses</b>	<b>187,542</b>	<b>183,210</b>	<b>2,619</b>	
<b>General Net Income</b>	<b>\$ 51,610</b>	<b>\$ 26,410</b>	<b>#####</b>	95%	<b>General Net Income</b>	<b>\$ 51,610</b>	<b>\$ 51,401</b>	<b>\$ 209</b>	0%
<b>Total General Expenses</b>					<b>Total General Expenses</b>				
<b>General Net Income</b>					<b>General Net Income</b>				
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 138,600	\$ 137,970	\$ 630	0%	Revenue - Water Use Fees	\$ 138,600	\$ 137,970	\$ 630	0%
Revenue - All Other Sources	7,263	2,000	5,263	263%	Revenue - All Other Sources	7,263	3,254	4,009	123%
<b>Total Water Revenue</b>	<b>145,863</b>	<b>139,970</b>	<b>5,893</b>		<b>Total Water Revenue</b>	<b>145,863</b>	<b>141,224</b>	<b>4,639</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	44,827	47,413	2,586	5%	Salaries, Benefits, PR Tax	44,827	43,472	(1,355)	-3%
Repairs & Maintenance	1,490	8,083	6,593	82%	Repairs & Maintenance	1,490	1,574	84	5%
Contracted Services	13,545	13,006	(539)	-4%	Contracted Services	13,545	11,048	(2,497)	-23%
Insurance	7,368	8,432	1,064	13%	Insurance	7,368	9,217	1,849	20%
Other Expenses (incl taxes)	27,885	28,412	527	2%	Other Expenses (incl taxes)	27,885	23,234	(4,651)	-20%
<b>Total Water Expenses</b>	<b>95,115</b>	<b>105,346</b>	<b>10,231</b>		<b>Total Water Expenses</b>	<b>95,115</b>	<b>88,545</b>	<b>(6,570)</b>	
<b>Water Net Income</b>	<b>\$ 50,748</b>	<b>\$ 34,624</b>	<b>#####</b>	47%	<b>Water Net Income</b>	<b>\$ 50,748</b>	<b>\$ 52,679</b>	<b>\$ (1,931)</b>	-4%
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 54,747	\$ 55,500	\$ (753)	-1%	Revenue - Moorage/Parking	\$ 54,747	\$ 56,064	\$ (1,317)	-2%
Revenue - All Other Sources	9,370	9,402	\$ (32)	0%	Revenue - All Other Sources	9,370	10,065	(695)	-7%
<b>Total Marina Revenue</b>	<b>64,117</b>	<b>64,902</b>	<b>(785)</b>		<b>Total Marina Revenue</b>	<b>64,117</b>	<b>66,129</b>	<b>(2,012)</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	9,621	10,336	715	7%	Salaries, Benefits, PR Tax	9,621	9,527	(94)	-1%
Repairs & Maintenance	13,968	16,926	2,958	17%	Repairs & Maintenance	13,968	17,046	3,078	18%
Contracted Services	5,949	6,127	178	3%	Contracted Services	5,949	1,790	(4,159)	-232%
Insurance	4,525	4,751	226	5%	Insurance	4,525	4,893	368	8%
Other Expenses (incl taxes)	6,779	6,107	(672)	-11%	Other Expenses (incl taxes)	6,779	5,498	(1,281)	-23%
<b>Total Marina Expenses</b>	<b>40,842</b>	<b>44,247</b>	<b>3,405</b>		<b>Total Marina Expenses</b>	<b>40,842</b>	<b>38,754</b>	<b>(2,088)</b>	
<b>Marina Net Income</b>	<b>\$ 23,275</b>	<b>\$ 20,655</b>	<b>\$ 2,620</b>	13%	<b>Marina Net Income</b>	<b>\$ 23,275</b>	<b>\$ 27,375</b>	<b>\$ (4,100)</b>	-15%
<b>Routine Reserve</b>	<b>89,370</b>	<b>89,370</b>	<b>-</b>		<b>Routine Reserve</b>	<b>89,370</b>	<b>89,370</b>	<b>0</b>	
Spcl Assmnt Income/Exp	1,027	-	1,027		Spcl Assmnt Income/Exp	1,027	(5,635)	6,662	
Reserve Interest - all	361	49	312		Reserve Interest - all	361	599	(238)	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 216,391</b>	<b>\$ 171,107</b>	<b>\$ 45,283</b>	26%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 216,390</b>	<b>\$ 215,788</b>	<b>\$ 602</b>	0%

\*\*Modified Cash Basis, Excludes Depreciation

KCK:06/10/15

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**Manager's Report:** Art Burke

The new dehumidification system at the pool is up and running. The project went according to plans with very few and minor issues arising during the course of the three weeks that the pool was closed. A short list of small touch-up tasks still remain to be done however the pool is open and the environmental conditions in the building have never been better.

Work is continuing on the drainage issues in the vicinity of the Workshop. Plans and permit documents have been submitted to Jefferson County and the initial feedback has not raised any undue concern. Some follow up information is being prepared and we are hopeful to have a permit in hand in the next 30 days.

Our new traffic speed surveying equipment has experienced some technical difficulties and as a result was sent back to the manufacturer for a software analysis. We are expecting it back any day now and will immediately send it back in the field to collect data.

Projects being worked on by the Caretaker and Assistant Caretaker:

- Preparations for the rainy season have begun which involves ditch clearing, storing equipment undercover, etc.

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

- Hedge complaint in the Colony.
- Barking dog complaint in the Village.

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Workshop, Social Club, Building, Marina, Pool, and Water.

The reports are attached to these minutes and incorporated by reference.

**Information Items:**

- A. The Trustees requested the office staff create an archive of Study Session and Board Meeting packets to be placed on the Cape George website.
- B. The Trustees reviewed a request from a group of community members interested in establishing a community garden. The location is still under discussion. The group will return with further information and recommendations.

**Member participation:** None

**New Business Action Items:**

**Motion 1:** Ray Pierson moved and Carol Wood seconded to approve Resolution 10/01/16 to transfer \$62,486.36 from General Reserves to Operations Checking for the Pool Dehumidification Project – Quality Heating \$59,341.24, JDG Construction \$1,889.00, Arrow Lumber \$649.91, Groves and Co. \$588.38, Henery Hardware \$17.83 Passed - 6/0

**Motion 2:** Leslie Fellner moved and Katie Habegger seconded to approve the refund to member HOR002 for the return of a marina key as requested. Passed – 6/0

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**Motion 3:** Karen Krug moved and Leslie Fellner seconded to approve an increase in lot mow fees to \$85 per lot for the remainder of 2016. Passed – 6/0

**Motion 4:** Katie Habegger moved and Richard Hilfer seconded to approve six member requests for seven Due Date Adjustments. Passed – 4/0/2

**Motion 5:** Carol Wood moved and Ray Pierson seconded to approve 2017 budget Exhibits A, B, C, D, E, F, and G, as presented. Passed – 6/0

**Motion 6:** Karen Krug moved and Leslie Fellner seconded to approve 2017 Assessment and Reserve Funding Disclosure Summary documents. Passed – 6/0

**Motion 7:** Richard Hilfer moved and Katie Habegger seconded to approve 2017 Fee Schedule and 2017 Fine Schedule. Passed – 6/0

**Open Board Discussion:** none

**Announcements:**

- A. Study Session – November 8, 2016 3:00 P.M.
- B. Board Meeting – November 10, 2016 7:00 P.M.

**Adjournment:** Ray Pierson moved and Katie Habegger seconded to adjourn the regular session at 7:50 pm. Passed –6/0

**Submitted by:**

**Approved by:**

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Leslie Fellner, Secretary

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Richard Hilfer, President

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**Minutes of the Workshop Meeting - August 2, 2016**

Attendees:

Marta, Mac, Ken, Art, Gary, Carl, Jack

Topic of Discussion: Input to future budget

- The workshop is a vital asset to Cape George. There are many folks in this community that utilize the workshop for a multitude of projects on a daily basis.
- The workshop has a concern that the south end of the wall where the fireplace is, is in need of major repair. After much discussion the price tag to fix the south wall will be expensive.
- The workshop itself has a limited lifespan. The question becomes, does the community want to invest the monies into fixing just the wall or at some point demolishing the workshop and replacing the entire building utilizing the same foot print with a pole type building. It should be noted that it is not sure at what point the restrictions of utilizing the same footprint may expire.
- In recent years a great deal of maintenance and repairs has been completed on the workshop. These repairs are as follows but not limited to; roof, tuck pointing, attic cleaning and repairs, electrical, painting; etc. These repairs have all been accomplished with mostly volunteers.
- It is a concern that at some point repairs/band aids will not prevent the demise of the workshop. It is for this reason, that we as a community should be assessing the future of the current workshop or initiate discussion on investing in a pole type building utilizing the current footprint. At some point repairs may be prohibitive.

**CAPE GEORGE SOCIAL CLUB**

**BI-ANNUAL MEETING MINUTES**

**SEPTEMBER 27, 2016 11:30 - FALL LUNCHEON**

The meeting was called to order and approximately 40 attendees welcomed by Mary Hilfer of the Social Club Leadership Council. Minutes of the previous meeting were seconded and approved with no additions or corrections.

The Treasurer's Report was reviewed and copies distributed in Jan Stone's absence. Gail Krentzman was available to answer questions, of which there were none.

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**OLD BUSINESS:**

Mary Hilfer reported that after the painting of the interior of the clubhouse was completed, the window coverings (black-out shades) were ordered and installed. The cost of the shades was \$4816.20 and was paid for from *Granny's Attic* funds.

The annual *Granny's Attic* Sale successfully held on April 15-16 was co-chaired by Cassie Reeves and Norma Lupkes and brought in approximately \$2500.00. Cassie reminded everyone to start saving items now for the April 21/22, 2017 event.

Norma Lupkes reported on the new Petanque Court built across from the picnic area, that was spearheaded by Dennis Fellner and several members of the community. A \$250.00 contribution was donated to the project by the Social Club.

Recognition was given to Mary Maltby for her continued work on the *Want Ads* in our Newsletter that have generated nearly \$10,000 in revenue since 2009 for the Social Club to support various projects and events in the community. Mary Hilfer was also recognized for her relentless efforts in creating and posting flyers for events, as well as ensuring the communication with the office is done to inform residents. She is also instrumental in ensuring that supplies are available for the events and other tasks too numerous to mention. A big thank you to both of them!

Robin Scherting reported on the Community Beach Dance held on Aug 24 on the lawn of the clubhouse sponsored by funds from *Granny's Attic*. Approximately 150 were in attendance bringing their picnic dinners and having a great time. The initial \$500.00 charge for the band which was budgeted was raised to \$700.00 which the Social Club covered. The consensus was to schedule another dance next year with the possibility of researching other bands available in the area.

The new brick BBQ pit has been built by Cape George maintenance and Marina/Workshop volunteers and is now located closer to the parking lot and the building. It required new stainless steel grills that were built by West Coast Insulation at a cost of \$1014.52 that was covered by the Social Club from *Granny's Attic* funds set aside for beach projects. Special thanks to Ken Owen for his part in this project.

The new BBQ pit was "christened" at the annual Salmon BBQ held on July 17. Marta Favati chaired the event with 130 tickets sold. Numbered tables helped to move the serving line along more efficiently. A big thank you was given to all who helped make it a success.

The Waterfront festival was held on August 27 and was a huge success.

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**NEW BUSINESS:**

Mary Hilfer raised a concern over the tablecloths owned by the SC and being used by the clubhouse renters. They are not charged for their usage and Cookie Tonkunas, the administrator of rentals, has been taking them home and laundering them. A motion was made by Kitty Rucker, seconded and approved to charge the renters \$5 per tablecloth and that money will be given to Cookie for her laundering service.

Mary Rothschild proposed that the CG Revue be revitalized possibly in the Fall of 2017. She has volunteered to chair the event and will be looking for support from the community to make it happen!

A lengthy discussion was held on clubhouse wall decorations which were removed for the painting and work on the walls. The SC would like input from the community regarding future wall décor so the Leadership Council can give recommendations to the Manager that will then be passed on to the board for a decision on how to proceed. A form was distributed by Marta Krissovich of the Social Club Leadership Council to all interested parties having a recommendation as to what they would like to see on the walls. The forms are to be submitted to the office by October 15 and all suggestions must be in writing. Marta will then collect the ideas and summarize the results. The Leadership Council will then review the results and submit their recommendations (and some of the summarized results) to the Manager.

Manager Art Burke then gave a report on the new flooring for the clubhouse that will be covered by 2017 reserve funds. After extensive research assisted by some members of the SC Leadership Council, the recommendation will be made to the Board to install commercial vinyl planking or tile throughout the entire building. This flooring can be maintained much more efficiently and economically than the old tile and carpet as it only has to be vacuumed, dust mopped and/or damp mopped. It is also durable and will not scratch and has an extended warranty. It will also provide some sound insulation. Area rugs will be considered for the area that is currently carpeted. The manager and the SC Leadership Council will be working with a designer to choose the specific product and color.

**UPCOMING EVENTS:**

**Environmental Committee Fundraiser Dinner - October 29 - Halloween theme - potluck with brats provided - costume contest - more info to follow in newsletter.**

**Christmas - possibly a no-host potluck from 10-12 am at the clubhouse on Christmas day for anyone interested in attending.**

**New Year's Eve Party - Workshop crew will provide more information**

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**St Patrick's Day event - Pool committee will pursue sharing event with another committee (Emergency Management?)**

**Other events/summer BBQ's - a poker party was suggested as a possibility**

**Granny's Attic - April 21-22 2017**

The next SC meeting will be held on April 4, 2017.

Respectfully Submitted by Norma J. Lupkes

**Building Committee**

FROM: Ann Simpson, Building Committee Chairgirl

DATE: October 1, 2016

SUBJECT: September Report

*Building permits issued:*

LARRY WOOD, 31 Vancouver Pl, Colony, build a shed

GEORGE CASTANEDA, 21 E Rhododendron Dr, Colony, build a shed

DIANE MORRISON, 111 Alder Dr, Village, rebuild a deck

**Marina Committee Meeting Minutes 10/4/2016**

**Submitted by Harbormaster Richard Woodcock**

- Meeting was called to order just after 11am.
- 24 members present including Harbormaster Richard Woodcock, Committee Chair Craig Muma and Board Liaison Carol Woods

**Apologies and information items:**

- Penny Jensen and Ross Anderson away at Protection Island meeting today
  - Proposed work with Marine Science Center next Spring – needing volunteer boats: Craig Muma, Paul Happel, Tom Cawrse and Ross Anderson all offered
- Amenities Fee – Board approved \$25 per year only for boats with slip assignments.
  - Rampage will increase by \$5 per year

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- Waterfront Festival August 19<sup>th</sup> 2017 will be led by Sandy Gulin.
- Marina Sale – Application is in for PT Chamber Reader-Board- following procedures agreed :
  - Too many repeat and unsalable items appear each year so a small committee of 3 or 4 marina volunteers will monitor donations (including items left over from Granny’s Attic) for items to keep and items to reject in advance of the marina sale dates – no large furniture /exercise machines.
  - At Manager’s request we will be limiting storage usage (length of time and space used) in barn for Marina Sale items each year.
  - New signage to be prepared
  - No removing of stuff before items out and priced
  - No items on hold after 1pm on final day
- CG Staff completed installation of yellow tape/paint marker at top of boat ramp. It looks and works very well – Thank You!
- Social Club: Clubhouse wall art recommendations requested – Forms were made available for Marina members with ideas about type, location and method of mounting artwork in the clubhouse. We all agreed some of the artwork should include appropriate representation of all things related to the marina and boating in CG.
- A suggestion was made that we install motion sensor lights on the marina channel entrance as a security measure, but further discussion revealed it would not likely work due to extreme tide change and wave action in the channel.
  - A further thought was brought forth regarding addition of red/green navigation lights on channel, but it was decided not to be an urgency or perhaps even necessary.
- Proposed “Open Day” for boats/marina. Result of conversation was to coincide this with the Salmon BBQ perhaps.
  - A separate “Workshop Safety Day” is proposed for anyone wanting a better understanding and a safety briefing of equipment usage in the shop.
  - Perhaps this could coincide on a day with usage and safety of clubhouse, pool and fitness rooms as well.
- Gate locking – This continues to be a bit of a burden so a new weekly schedule is proposed and adopted moving forward, and is arranged for this month as follows: Today through Oct 8<sup>th</sup> = Bob Frenette, Oct 9<sup>th</sup> thru Oct 15<sup>th</sup> = Sonja Ericsson, Oct 16<sup>th</sup> thru Oct 22<sup>nd</sup> = Craig Muma, and Oct 23<sup>rd</sup> thru Nov. 1<sup>st</sup> = Marta Favati
- There was recognition and discussion of the importance of our 3-way marina photo display in the parking lot. New photos will be printed perhaps on paper with more UV resistance and/or UV glass to be added to display to keep it looking nice. This represents our pride in the work we do in the marina. If members have photos they would like to be displayed, please forward to Office.
- Boat zinc replacement opportunities – Gary Rossow has offered to notify all marina tenants of a time (twice a year – in January and in June) when a diver can be scheduled to wipe clean boat hulls below water line and replace zincs. Typical cost is approx. \$125.
- Power pedestal replacements – We are pushing forward to obtain current/comprehensive bids from Frederickson Elec. and Double D Elec.
  - We are hoping/planning for a project start date in January 2017.
  - Budgeting is for an amount not to exceed \$72k.
  - Future dock section repairs and removals must be considered in plan

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- Seawall Zinc's – Currently at 50% and won't last until Spring
  - Missed opportunity for installation at low LW in June, so we must schedule new zinc installation either in November (14<sup>th</sup> – 17<sup>th</sup>) or in the event of bad weather, December (13<sup>th</sup> – 16<sup>th</sup>). Nighttime lighting will be provided by Bob Frenette.
  - To be performed by Ken Owen, Sam Melton, and Penny Jenson (with other volunteer support as needed).
  - Rental of welding generator will be needed as in the past until we can purchase our own.
  - Simultaneously we will be researching a new method of zinc deployment on seawall that will not require such extensive and time consuming welding work and is not tide dependent.

**Round Robin**

- New Year's Party – Workshop to host party in clubhouse – Marta Favati.
- Derelict boat – Art advised that the auction process is coming up.
- Reminder this year - Only boats titled to members can be assigned slips in the marina.
- Next month Penny Jensen and Jim Bodkin will present data gathered so far on sediment, weather and water-current data (provided by Stewart Pugh).
- Most recent permit expiration notice for Jan 2017. Gary Rossow has already applied for routine extension. Gary also provided detailed accounting of all permits and expirations related to Marina operating needs – Thank you Gary!
- Question raised by new member Larry Wood regarding the waiting list and clarification of rules governing slip assignment – discussed briefly with him after meeting was closed.

THANKS TO ALL WHO PROVIDED THIS MORNING'S DONUTS/DIPS/ CHIPS !

Meeting adjourned at 12pm

**CAPE GEORGE POOL COMMITTEE MEETING NOTES – Oct 5, 2016**

**ATTENDEES:** Art Burke, Rocky D'Acquisto – Chair, Leslie Fellner, Norma Lupkes.

**NOTES:** The ongoing Dehumidification Project is now completed and in operation.

Art took the attendees on a tour of the pool to understand the operation and it was very impressive. Below are the bullet-point accomplishments of the project:

- Drain, clean and inspect the pool bottom and sides
- Paint lines on bottom and walls of pool
- Patch a couple of divots on the pool wall
- Replace the deep end ladder
- Reconfigure the floating lane marker from running the length of the pool to just the deep end

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- Install a new dehumidification system and fabric duct delivery system
- Install a new heating and ventilation system in the changing rooms
- Install new LED lights in the pool area
- Expand utility room doorway
- Remove, launder and rehang banners
- Repainted changing room doors

Each one involved a whole other set of steps leading up to and following after. We are still working with Quality Heating on a couple of issues, including a section of the ducting in the deep end area which is too long and needs to be replaced, and a condensate drain line needs to be connected to a pump and directed out of the building. There are also six vents from the old system that will be removed and the holes patched. We are also doing some touch up painting.

The BIG NEWS items are:

- The dehumidification system is working great! The humidity is being maintained at 50% without any problem. It is very noticeable when going from the outside to the inside.
- The dehumidification system is really kind of quiet. When they first fired it up we were struck by how little sound it created. We also think the fabric ducting further adds sound absorption surfaces to the room making it less echoey.
- The changing rooms are toasty warm. We have the thermostat set at the same temp as the pool room – 85 degrees – so that there is no adjustment needed. The system is also programmed to drop the temp to 69 degrees when the pool is closed. There is also a new ventilation fan that operates on a humidistat – if it senses humidity, like when someone turns on a shower, it turns on and vents the room. We're going to be removing the space heaters in the near future.
- The project is coming in under budget. The members approved a \$154,000 project cost in the 2016 budget. The Trustees approved a not to exceed \$130,000 project cost at the April Board meeting. Our current expenditures are at just under \$122,000. There is some drywall work still needed which shouldn't cost more than \$800. I'm going to work at getting window film for the west wall windows included in the project. The window film will minimize the solar gain that occurs in the afternoon and thus assists the effectiveness of the dehumidification system.

Next meeting: Nov 2, 2016 - 3:00 in the Clubhouse

Respectfully submitted, Norma J. Lupkes

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**CAPE GEORGE WATER ADVISORY COMMITTEE  
MEETING REPORT, OCTOBER 4, 2016**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water Manager; Ray Pierson, Board Liaison; Larry Southwick, Committee Chair; and members Stewart Pugh, Scott James, and Thad Bickling.

1. Emergency Preparedness – No further discussion on the document itself; it's adequate for our purpose and needs now. Larry suggested that it does not need to be formally adopted which would trigger the need to have it reviewed by DOH before it could be incorporated into the Water System Plan. It was also pointed out that it includes detailed instructions about the locks and entry into the water facilities site which should not be made public anyway. It will remain a working document, primarily for the Emergency Preparedness Committee and its Incident Management Team in an emergency event. It also includes instructions for the staff after an emergency event that impacts the water system.
2. Greg is talking with a meter technician to calibrate the source meter but it hasn't been scheduled yet. He said that there is an existing port in the line that will enable the test without having to make additional modifications. We could also do the drawdown test of tank #6 with the other tanks shut down at the same time.
3. The Dept. of Health Sanitary Survey of our water system is now scheduled for October 20. That will affect Art, Donnie and Greg but Ray and Larry may stop by to show the involvement of the Board and community in management of the water system.
4. The letter directing members with backflow assembly valves to have them tested and submit the test reports to the office by October 15. A second reminder letter will be mailed out to those who don't get their results in by that time.
5. Stew asked how the pressure was holding in the Highlands system relative to the newly installed PLC. Art said no complaints and Greg said he had adjusted it up a bit and it's working ok.
6. Art said that he has a price quote not to exceed \$1,000 from DD Electric to install the high water alarm and tie it into the auto-dialer. There are adequate funds in this year's operating budget to get it done now. Art also reported that they have found a replacement truck and worked out the procedures for bringing it in from B.C. It will be purchased with some of the funds coming from the Water Reserves. The 2017 budget review process will start with the upcoming Board Study Session.

The next meeting will be on **November 1, 2016 at 5 pm at the Office.**

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**President Richard Hilfer called the meeting to order at 7:02 p.m.**

**Welcome**

**Election packets were mailed on November 4<sup>th</sup> by the Election Committee and ballots are already being returned.**

**In Attendance:** Richard Hilfer, Katie Habegger, Karen Krug, Raul Huerta and Ray Pierson

**Action on Minutes:** Katie Habegger moved and Ray Pierson seconded to approve the minutes of the Regular Board Meeting October 13, 2016 – Passed 4/0

**Membership Report:** Katie Habegger

Marc & Vicki Horton purchased lot 42 San Juan Dr from John Gieser  
Margaret Crosby purchased 153 N Rhododendron from John Hulburt  
Karen Knauer purchased lot 10 S Palmer from The Sheridan's

**Treasurers Report:** Karen Krug

As of October 31, 2016

A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website. The detailed statements as well as additional monthly financial material and are also available for review in the office as are the quarterly internal control reports.

**2016 BALANCE SHEET COMMENTS**

Bank statements have been received and reviewed. Two financial institutions are close to the FDIC maximum limit of \$250,000; Wells Fargo at \$248,000 and Kitsap Bank at \$239,000. In both cases the balances are largely the result reserve funds and both accounts could be reduced by moving some funds to one of the 1st Security accounts.

Accounts receivable are slightly higher than at this time last year but nothing that causes material concern.

Unearned income is noticeably higher than at this same time last year suggesting that a number of individuals have already paid some of the 2017 assessments.

Marina wait list deposits have decreased only \$250 from last October but have decreased \$400 from last month's high of \$1,300. Some of the change was from forfeited funds and two individuals moved from

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the wait list to moorage. In the latter case the wait list funds are applied to moorage. The forfeited fees were credited to General Operations and should have been credited to Misc. Marina income. A correction will be made prior to closing November.

OVERALL OPERATING COMMENTS

The final installment of 2016 assessments and water fees was due on October 1. Other than minor amounts of revenue from sources like interest, phone book sales, fines, etc., the corporation has received all its 2016 revenues.

Lower repair and maintenance expenses are seen in all three cost centers with the largest variance of \$9,900 occurring in general operations. This entire variance will be offset by the end of the year by the workshop drainage project which through the end of October had incurred about \$3,400 in expenditures.

The expenditures for the workshop drainage project, expected to reach around \$9,000 at completion, should be accounted for as "new capital" that is, it should be shown as an expenditure of operations. Although not standard accounting practice this historical practice at Cape George helps ensure that the current year's cash available for year-end transfer is not overstated. In this case, year-to-date net income for General Operations should be \$102,300 rather than \$105,700.

<b>Balance Sheet as of October 31, 2016 and 2015</b>						
<b>Assets</b>	<b>2016</b>	<b>2015</b>	<b>Liabilities and Fund Balances</b>	<b>2016</b>	<b>2015</b>	
Cash and Cash Equivalents:			Current Liabilities:			
Operations Checking	\$ 195,316	\$ 160,428	Accounts Payable & Other Liabilities	\$ 8,847	\$ 8,413	
Operating Investment-Savings	88,227	105,062	Unearned Income General/Water/Etc.	4,611	1,685	
Petty Cash (2 accounts)	600	600	Unearned Income Other	-	-	
Reserves - General, Water & Marina	518,267	421,308	Unearned Income Marina Wait List	900	1,150	
Special Assmnts(Berm/Sseawall)	-	59,009	Due to General Reserve (Loan)	-	19,485	
<b>Routine Reserve Assessment**</b>	<b>116,993</b>	<b>116,921</b>	Total Current Liabilities	<b>14,358</b>	<b>30,733</b>	
Total Cash & Equivalent	919,403	863,328				
			North Seawall Assessment Liability	-	-	
Net Accounts Receivable	16,095	14,215	South Sewall Assessment Liability	-	-	
Due from S. Seawall Reserve (Loan)	-	19,485				
Net SpclAssmnts Receivalbe	-	815	<b>FUND BALANCES:</b>			
Total Net Fixed Assets	1,897,727	1,793,765	Fund Balances (Combined)	2,507,695	2,358,856	
Total Prepaid & Other Assets	22,190	26,457	Modified Cash Basis CY Income*	333,362	328,476	
<b>TOTAL ASSETS</b>	<b>\$2,855,415</b>	<b>\$2,718,065</b>	<b>Total Liabilities and Fund Balance</b>	<b>\$2,855,415</b>	<b>\$2,718,065</b>	

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<b>Summary Revenue and Expense Statements for the periods ended October 31, 2016 and 2015 respectively (Modified Cash Basis)</b>									
<b>2016 Year to Date</b>					<b>COMPARATIVE</b>				
	Actual	Budget	Variance	%		2016 YTD	2015 YTD	Variance	%
General Assessment	\$ 286,408	\$ 286,408	-	0%	General Assessment	\$ 286,408	\$ 286,408	\$ -	0%
Revenue - All Other Sources	25,288	17,108	8,180	48%	Revenue - All Other Sources	25,288	22,381	2,907	13%
<b>Total General Revenue</b>	<b>311,696</b>	<b>303,516</b>	<b>8,180</b>		<b>Total General Revenue</b>	<b>311,696</b>	<b>308,789</b>	<b>2,907</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	111,824	115,878	4,054	3%	Salaries, Benefits, PR Tax	111,824	108,597	(3,227)	-3%
Repairs & Maintenance	7,143	18,811	11,668	62%	Repairs & Maintenance	7,143	10,151	3,008	30%
Contracted Services	31,969	35,716	3,747	10%	Contracted Services	31,969	32,658	689	2%
Insurance	15,585	17,852	2,267	13%	Insurance	15,585	17,348	1,763	10%
Pool Expense	16,342	17,083	741	4%	Pool Expense	16,342	12,485	(3,857)	-31%
Other Expenses (incl taxes)	23,106	21,158	(1,948)	-9%	Other Expenses (incl taxes)	23,106	21,605	(1,501)	-7%
<b>Total General Expenses</b>	<b>205,969</b>	<b>226,498</b>	<b>21,736</b>		<b>Total General Expenses</b>	<b>205,969</b>	<b>202,844</b>	<b>2,233</b>	
<b>General Net Income</b>	<b>\$ 105,727</b>	<b>\$ 77,018</b>	<b>\$ 28,709</b>	37%	<b>General Net Income</b>	<b>\$ 105,727</b>	<b>\$ 105,945</b>	<b>\$ (218)</b>	0%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 185,130	\$ 183,960	\$ 1,170	0%	Revenue - Water Use Fees	\$ 185,130	\$ 183,960	\$ 1,170	1%
Revenue - All Other Sources	7,263	2,000	5,263	263%	Revenue - All Other Sources	7,263	3,254	4,009	123%
<b>Total Water Revenue</b>	<b>192,393</b>	<b>185,960</b>	<b>6,433</b>		<b>Total Water Revenue</b>	<b>192,393</b>	<b>187,214</b>	<b>5,179</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	49,977	52,682	2,705	5%	Salaries, Benefits, PR Tax	49,977	48,556	(1,421)	-3%
Repairs & Maintenance	2,481	8,981	6,500	72%	Repairs & Maintenance	2,481	1,574	(907)	-58%
Contracted Services	14,644	14,451	(193)	-1%	Contracted Services	14,644	12,059	(2,585)	-21%
Insurance	8,180	9,369	1,189	13%	Insurance	8,180	9,240	1,060	11%
Other Expenses (incl taxes)	31,674	32,999	1,325	4%	Other Expenses (incl taxes)	31,674	29,116	(2,558)	-9%
<b>Total Water Expenses</b>	<b>106,956</b>	<b>118,482</b>	<b>11,526</b>		<b>Total Water Expenses</b>	<b>106,956</b>	<b>100,545</b>	<b>(6,411)</b>	
<b>Water Net Income</b>	<b>\$ 85,437</b>	<b>\$ 67,478</b>	<b>\$ 17,959</b>	27%	<b>Water Net Income</b>	<b>\$ 85,437</b>	<b>\$ 86,669</b>	<b>\$ (1,232)</b>	-1%
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 55,345	\$ 55,500	\$ (155)	0%	Revenue - Moorage/Parking	\$ 55,345	\$ 56,064	\$ (719)	-1%
Revenue - All Other Sources	9,546	9,465	\$ 81	1%	Revenue - All Other Sources	9,546	10,066	(520)	-5%
<b>Total Marina Revenue</b>	<b>64,891</b>	<b>64,965</b>	<b>(74)</b>		<b>Total Marina Revenue</b>	<b>64,891</b>	<b>66,130</b>	<b>(1,239)</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	10,709	11,484	775	7%	Salaries, Benefits, PR Tax	10,709	10,597	(112)	-1%
Repairs & Maintenance	14,082	17,418	3,336	19%	Repairs & Maintenance	14,082	17,252	3,170	18%
Contracted Services	6,164	6,808	644	9%	Contracted Services	6,164	1,999	(4,165)	-208%
Insurance	5,024	5,279	255	5%	Insurance	5,024	5,090	66	1%
Other Expenses (incl taxes)	7,291	6,765	(526)	-8%	Other Expenses (incl taxes)	7,291	6,121	(1,170)	-19%
<b>Total Marina Expenses</b>	<b>43,270</b>	<b>47,754</b>	<b>4,484</b>		<b>Total Marina Expenses</b>	<b>43,270</b>	<b>41,059</b>	<b>(2,211)</b>	
<b>Marina Net Income</b>	<b>\$ 21,621</b>	<b>\$ 17,211</b>	<b>\$ 4,410</b>	26%	<b>Marina Net Income</b>	<b>\$ 21,621</b>	<b>\$ 25,071</b>	<b>\$ (3,450)</b>	-14%
Routine Reserve	119,160	119,160	-		Routine Reserve	119,160	119,160	0	
Spcl Assmnt Income/Exp	1,064	-	1,064		Spcl Assmnt Income/Exp	1,064	(9,015)	10,079	
Reserve Interest - all	352	53	299		Reserve Interest - all	352	646	(294)	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 333,361</b>	<b>\$ 280,921</b>	<b>\$ 52,441</b>	19%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 333,360</b>	<b>\$ 328,475</b>	<b>\$ 4,885</b>	1%
**Modified Cash Basis, Excludes Depreciation					KCK 08/10/15				

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**Manager's Report:** Art Burke

Work is continuing on the drainage issues in the vicinity of the Workshop. Although we had planned on having a permit in hand by now, Jefferson County DCD requested additional information which is being prepared. We are once again hopeful to have a permit in hand in the next 30 days.

After receiving our traffic speed survey equipment back from the manufacturer for software adjustment, it successfully collected data at its first location on N. Palmer – report included in Study Session packet. It was then set up on Dennis Blvd where it again experienced some type of technical difficulty. We are expecting it back any day now and will immediately send it back in the field to collect data.

Final work is nearing completion on the pool dehumidification project. This included weather-sealing pass through surfaces, applying window film and touch up painting.

I have reviewed a member request to prune 15 community trees on the hillside above the Marina. The arborist report which accompanied the request detailed the work to be done which involves a removal of approximately 20% or less of the canopy. All pruned limbs will be removed from the site. None of the work involves “topping” of trees. Since the proposed project will cause no harm to the trees, I have approved the request.

The Fitness Center carpets were cleaned.

Projects being worked on by the Office Administrator:

- Preparing ballot packets
- Set up new archive of study sessions and board agendas by year on the website
- Follow up on backflow test reporting

Projects being worked on by the Caretaker and Assistant Caretaker:

- Assist with Fitness Center prep for carpet cleaning
- Prep Tank Farm for sanitary survey and accompany Department of Health personnel during inspection.
- Continue work on winterizing equipment and facilities.

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

- Report of Fitness Center users not following rules related returning weights to storage racks, changing from street shoes to workout shoes and using trash cans.

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**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Environmental, Water and Fitness.

The reports are attached to these minutes and incorporated by reference.

**Information Items:**

The Trustees reviewed the first set of results from a traffic speed survey device that is being set up at various locations in the community.

**Member participation:** None

**New Business Action Items:**

**Motion 1:** Katie Habegger moved and Ray Pierson seconded to approve a member request allowing the Port Townsend Kiwanis to place a collection bin in the Cape George office for the Toys for Tots program – Passed 3/1

**Motion 2:** Richard Hilfer moved and Katie Habegger seconded to approve the Marina Committee proposed changes to Cape George rule CP03 Marina Usage as presented –Passed 4/0

**Motion 3:** Ray Pierson moved and Raul Huerta seconded to approve Resolution 11/01/16 to transfer \$289.04 from General Reserves to Operations Checking for Pool Dehumidification Project, Visa (Amazon) \$84.95, Visa (Home Depot) \$134.70, and Hadlock Building Supply \$69.39 – Passed 4/0

**Motion 4:** Katie Habegger moved and Karen Krug seconded to approve renewal of flood insurance Option A from Selective Insurance with an annual premium of \$2,559 for the Clubhouse and \$1,198 for the Workshop –Passed 4/0

**Motion 5:** Richard Hilfer moved and Ray Pierson seconded to approve 2 due date adjustment for 2 members – Passed 3/1

**Open Board Discussion:** None

**Announcements:**

- A. Special Membership Meeting – December 13, 2016 2:45 P.M.
- B. Study Session – December 13, 2016 3:00 P.M.
- C. Board Meeting – December 15, 2016 7:00 P.M.

**Adjournment:** Ray Pierson moved and Raul Huerta seconded to adjourn the regular session at 7:17 pm. Passed –4/0

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Submitted by:

Approved by:

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Katie Habegger, Vice President

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Richard Hilfer, President

**Committee reports:**

**ENVIRONMENTAL COMMITTEE MINUTES Monday October 10, 2016**

**IN ATTENDANCE:** Art Burke, Sue Dunning, Dennis Fellner, Katie Habegger, Joan Hommel, Marta Krissovich, Norma Lupkes, Kitty Rucker, Robin Scherting

The meeting was called to order by Kitty at 9:15. The minutes of the last meeting were approved.

**Fiscal report:** Kitty reported that the Environmental Committee funds is now \$2,843.84 (*these are not funds belonging to Cape George Colony*).

**OLD BUSINESS:**

- 1. Community Garden:** Marta presented a summary of progress to date in the proposed establishment of a community garden in Cape George. Copies of the "Proposal to Use Cape George Colony Club Land for a Community Garden" and the "Rules, Terms, Limits and Conditions for Membership in the Communal Section of the Cape George Community Garden" which will be taken to the Board were provided. The most suitable location found so far is on common property along the north side of Cape George Drive. Bringing water to this site would cost approximately \$500. Finances and ongoing maintenance concerns were covered in the two documents mentioned above. The EC again discussed the pros and cons of this highly visible site, and suggested that the Garden Committee might consider the area immediately behind the mailboxes in the colony – A motion was made by Sue Dunning, seconded and carried to take this suggestion to the Board. The presentation will be made by Marta at the upcoming Study Session.
- 2. Amy's Tree:** Kitty reported that "Amy's Tree", the magnolia near the office in in dire need of a new larger and heavier enclosure to protect the tree. The materials were purchased for \$102.35 and the fence will be reinforced with rebar and installed by Kitty, Donny and Dick with help from other EC members if needed.

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- 3. Fund Raising Dinner, October 29:** The event would be called “Grimm’s Halloween Party”, with a German/Halloween theme, and will be held Saturday, October 29<sup>th</sup> in the clubhouse. Tickets to the event will be \$10 and can be purchased at the office. The committee will furnish bratwurst, soy hot dogs, buns, condiments, and a punch. Attendees will be requested to bring potluck sides and desserts, with a prize for the best “themed” food creation to be judged by Dennis Fellner. There will also be prizes for best “themed” costume and best carved pumpkin, which will be judged by Steve and Chris Shaprio. As a fundraiser, we will sell tickets for a 50/25/25 drawing. Tickets will be \$5 each or 3 for \$10, and the proceeds will be split 50% to the environmental fund and 25% to each of two winners. Robin will be in charge of a silent auction and auction donations are welcome. Decorations will include caldrons with dry ice for a misty, spooky effect on the tables. Dennis will take charge of music. Plan to come to help set up for the dinner at 10 a.m.

**NEW BUSINESS:**

1. Lorna and Daryl will present the next movie in the clubhouse on Nov 29 at 7:00 – **“Animals in Danger of Extinction”** – please join us – popcorn will be provided.
2. Some additional information and new articles have been provided for the pamphlet on the history of “Protection Island” which Kitty has compiled and has been sold by the EC as a fundraiser. The motion was made, seconded and approved to add the information and raise the price to \$10. The pamphlet will still be given to newcomers to CG free of charge in their welcome package as a gift from the EC.

**ADJOURNMENT:** The meeting was adjourned at 10:30 a.m.

Respectfully Submitted: Norma J.Lupkes

**Fitness Meeting Minutes**

Friday October 28<sup>th</sup>, the committee met at the clubhouse. Attending were; Katie Habegger, Doug Lind, Robin Scherting, Judith Chambliss, Alan Zee, Bill Sery, Bob Carter, Sandi Smith and Phyllis Ballough.

We discussed the priorities for this next year. We have three pieces of equipment that may need replacing, one of the Landice treadmills, purchased in 2006. A Precor elliptical, and one of our recumbent bikes may need replacement. We agreed. We will keep them running as long as possible, whichever becomes unrepairable will be replaced and we will ask for money from the general fund as it is in the reserve budget. Any funds required over the \$5000.00 will be covered by our fund raising account.

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We discussed a new locking supply cabinet in the fitness room. It would replace the old one covered by the curtain. If it was a locking cabinet, our cups and cleaning supplies could be kept there. It would be much more convenient for those keeping things stocked. We also decided to ask Art to order 5 ounce cups and add it to the bill of the water supplies that we could pay semiyearly.

As far as fund raising, we discussed an event or the yearly fund raising drive we have held in the past. We concluded the fund drive was preferred by most everyone.

Cleaning in the Fitness Room is a priority. Equipment should be wiped down with each use. Members need to change into clean shoes. Phyllis made a new chart detailing cleaning chores that members could sign up for. We discussed ways to get members to change into clean shoes upon entering. Katie asked if we could get a better mat in front of the bench to keep the entry area cleaner.

Lastly, Phyllis asked members to please consider taking over the chairmanship. She wants to be done the first of January. She has done it for 10 of the 12 years the room has been open and feels it is time for a change.

The next meeting will be announced at a later time.

**WATER ADVISORY COMMITTEE NOVEMBER 1, 2016**

NO MEETING: Larry Southwick and Stewart Pugh arrived, no quorum.

1. The Dept. of Health Sanitary Survey of our water system occurred on October 20. A few issues were discussed but will wait for the official report. Greg may have already addressed them.
2. Before the meeting, Art said that DD Electric completed the installation of the high water alarm.

The next meeting will be on **December 6, 2016 at 5 pm at the Office.**

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
December 15, 2016  
7:00 PM

**President Richard Hilfer called the meeting to order at 7:02 p.m.**

**Welcome**

**The ballots have been counted and the results are:** A total of 245 ballots were received, seven of which could not be counted because they were either not signed or a member not in good standing. A super majority (160 votes) was reached and all measures passed.

2017 operating budget	204 approved	15 disapproved
2017 reserve projects expenditures	196 approved	24 disapproved
Changes to the By-laws	207 approved	12 disapproved
Changes to the Articles of Incorporation	209 approved	11 disapproved
IRS resolution	211 approved	8 disapproved

\*note not everyone voted on every item.

**In Attendance:** Richard Hilfer, Katie Habegger, Leslie Fellner, Karen Krug, Carol Wood, and Ray Pierson

**Action on Minutes:** Leslie Fellner moved and Carol Wood seconded to approve the minutes of the Regular Board Meeting on November 10, 2016 - Passed 5/0

**Membership Report:** Leslie Fellner

Mike Takata purchased 112 Colman Dr from Alice Takata Estate

**Treasurer's Report:** Karen Krug

As of November 30, 2016

A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website. The detailed statements as well as additional monthly financial material and are also available for review in the office as are the quarterly internal control reports.

**2016 BALANCE SHEET COMMENTS**

Bank statements have been received and reviewed with no exceptions. No banks are over the FDIC/NCUA limits.

Accounts receivable are slightly higher than at this time last year but not higher enough to be a cause for concern.

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The Routine Reserve Assessment was allocated to individual reserve in October 2015 and will not be allocated to the individual reserves until December of this year. This timing difference is the reason for the differences in the in the reserve cash this year compared to last year.

Unearned income, prepayments of 2017 assessments and fees, is noticeably higher than at this time last year. There are simply more people who have prepaid some of 2017 charges.

At the December meeting, the Board will be asked to authorize placement of nearly \$3,300 in bad debts with an external collection agency. These represent accounts that are at least 180 days old and if recovered, Cape George will receive only 40% of the value. Although use of an external collection agency is expensive, Cape George has neither the resources nor the expertise to purpose collections in a manner fully compliant with State and Federal requirements. If the corporation is to treat all Members the same, it must pursue those who have not paid their obligations.

In addition to the accounts that will likely be sent to collection, the Board will be asked to establish an additional balance sheet allowance account for potential bad debts in the amount of \$4,100. This represents receivables that will likely prove uncollectable but are not yet 180 days old.

#### OVERALL OPERATING COMMENTS

With only one month of the fiscal year remaining, operations in all three cost centers are showing results that exceed original budget expectations. The major reasons for this performance have been mentioned in previous reports so will not be repeated here.

The Manager has received communication from the PUD indicating that PUD has discovered a suspected problem with our pool utility billing. It is too early in the investigation to say exactly what impact that might have on 2016 results. Any impact of a resolved 2016 amount will have an impact on year-end results but it will not materially alter the overall positive performance of the General Operations cost center. The matter could also impact the 2017 budget, but there is contingency built into those line items.

In December bad debt expense will be recorded. Based on the accounts sent to collection and the allowance for doubtful accounts, it is anticipated that the 2016 bad debt expense will be around \$7,000. This amount is only about equal to the original 2016 budget estimate for bad debt expense and covers both operating and reserve items.

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CAPE GEORGE COLONY CLUB						
<i>Balance Sheet as of November 30, 2016 and 2015</i>						
Assets	2016	2015		Liabilities and Fund Balances	2016	2015
Cash and Cash Equivalents:				Current Liabilities:		
Operations Checking	\$ 149,873	\$ 98,058		Accounts Payable & Other Liabilities	\$ 11,207	\$ 11,987
Operating Investment-Savings	88,238	70,065		Unearned Income General/Water/Etc.	4,936	1,794
Petty Cash (2 accounts)	600	600		Unearned Income Other	-	-
Reserves - General, Water & Marina	518,001	636,121		Unearned Income Marina Wait List	900	1,150
Special Assmnts(Berm/Sseawall)	-	41,848		Due to General Reserve (Loan)	-	2,323
Routine Reserve Assessment	118,633	-	***	Total Current Liabilities	17,043	17,254
Total Cash & Equivalents	875,345	846,692				
				North Seawall Assessment Liability	-	-
Net Accounts Receivable	8,787	6,277		South Sewall Assessment Liability	-	-
Due from S. Seawall Reserve (Loan)	-	2,323				
Net SpclAssmnts Receivalbe	1,155	1,519		<b>FUND BALANCES:</b>		
Total Net Fixed Assets	1,916,196	1,793,765		Fund Balances (Combined)	2,507,695	2,358,856
Total Prepaid & Other Assets	23,089	23,616		Modified Cash Basis CY Income*	299,834	298,082
<b>TOTAL ASSETS</b>	<b>\$2,824,572</b>	<b>\$2,674,192</b>		<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,824,572</b>	<b>\$ 2,674,192</b>

\*\*\* In 2015, the Routine Reserve Assessment was allocated to individual reserves in October.

**Summary Revenue and Expense Statements for the periods ended November 30, 2016 and 2015 respectively (Modified Cash Basis)**

	2016 Year to Date				COMPARATIVE				
	Actual	Budget	Variance	%	2016 YTD	2015 YTD	Variance	%	
General Assessment	\$ 286,408	\$ 286,408	-	0%	General Assessment	\$ 286,408	\$ 286,408	\$ -	0%
Revenue - All Other Sources	26,929	17,919	9,010	50%	Revenue - All Other Sources	26,929	22,728	4,201	18%
Total General Revenue	313,337	304,327	9,010		Total General Revenue	313,337	309,136	4,201	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	122,698	127,466	4,768	4%	Salaries, Benefits, PR Tax	122,698	118,787	(3,911)	-3%
Repairs & Maintenance	7,846	20,692	12,846	62%	Repairs & Maintenance	7,846	10,323	2,477	24%
Contracted Services	34,184	38,477	4,293	11%	Contracted Services	34,184	34,481	297	1%
Insurance	17,132	19,637	2,505	13%	Insurance	17,132	18,894	1,762	9%
Pool Expense	16,929	18,792	1,863	10%	Pool Expense	16,929	12,840	(4,089)	-32%
Other Expenses (incl taxes)	29,063	23,239	(5,824)	-25%	Other Expenses (incl taxes)	29,063	23,415	(5,648)	-24%
Total General Expenses	227,852	248,303	24,412		Total General Expenses	227,852	218,740	625	
<b>General Net Income</b>	<b>\$ 85,485</b>	<b>\$ 56,024</b>	<b>\$ 29,461</b>	53%	<b>General Net Income</b>	<b>\$ 85,485</b>	<b>\$ 90,396</b>	<b>\$ (4,911)</b>	-5%

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<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 185,130	\$ 183,960	\$ 1,170	0%	Revenue - Water Use Fees	\$ 185,130	\$ 183,960	\$ 1,170	1%
Revenue - All Other Sources	7,263	2,000	5,263	263%	Revenue - All Other Sources	7,263	3,908	3,355	86%
<b>Total Water Revenue</b>	<b>192,393</b>	<b>185,960</b>	<b>6,433</b>		<b>Total Water Revenue</b>	<b>192,393</b>	<b>187,868</b>	<b>4,525</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	54,988	57,950	2,962	5%	Salaries, Benefits, PR Tax	54,988	53,747	(1,241)	-2%
Repairs & Maintenance	3,772	9,879	6,107	62%	Repairs & Maintenance	3,772	2,931	(841)	-23%
Contracted Services	15,742	15,896	154	1%	Contracted Services	15,742	13,069	(2,673)	-20%
Insurance	8,992	10,306	1,314	13%	Insurance	8,992	10,063	1,071	11%
Other Expenses (incl taxes)	34,252	35,212	960	3%	Other Expenses (incl taxes)	34,252	31,050	(3,202)	-10%
<b>Total Water Expenses</b>	<b>117,746</b>	<b>129,243</b>	<b>11,497</b>		<b>Total Water Expenses</b>	<b>117,746</b>	<b>110,860</b>	<b>(6,886)</b>	
<b>Water Net Income</b>	<b>\$ 74,647</b>	<b>\$ 56,717</b>	<b>\$ 17,930</b>	32%	<b>Water Net Income</b>	<b>\$ 74,647</b>	<b>\$ 77,008</b>	<b>\$ (2,361)</b>	-3%
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 55,345	\$ 55,500	\$ (155)	0%	Revenue - Moorage/Parking	\$ 55,345	\$ 56,064	\$ (719)	-1%
Revenue - All Other Sources	9,779	9,528	\$ 251	3%	Revenue - All Other Sources	9,779	10,066	(287)	-3%
<b>Total Marina Revenue</b>	<b>65,124</b>	<b>65,028</b>	<b>96</b>		<b>Total Marina Revenue</b>	<b>65,124</b>	<b>66,130</b>	<b>(1,006)</b>	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	11,787	12,633	846	7%	Salaries, Benefits, PR Tax	11,787	11,678	(109)	-1%
Repairs & Maintenance	14,332	17,909	3,577	20%	Repairs & Maintenance	14,332	17,408	3,076	18%
Contracted Services	8,379	7,488	(891)	-12%	Contracted Services	8,379	2,110	(6,269)	-297%
Insurance	5,523	5,807	284	5%	Insurance	5,523	5,563	40	1%
Other Expenses (incl taxes)	6,005	7,423	1,418	19%	Other Expenses (incl taxes)	6,005	6,488	483	7%
<b>Total Marina Expenses</b>	<b>46,026</b>	<b>51,260</b>	<b>5,234</b>		<b>Total Marina Expenses</b>	<b>46,026</b>	<b>43,247</b>	<b>(2,779)</b>	
<b>Marina Net Income</b>	<b>\$ 19,098</b>	<b>\$ 13,768</b>	<b>\$ 5,330</b>	39%	<b>Marina Net Income</b>	<b>\$ 19,098</b>	<b>\$ 22,883</b>	<b>\$ (3,785)</b>	-17%
<b>Routine Reserve</b>	<b>119,160</b>	<b>119,160</b>	<b>-</b>		<b>Routine Reserve</b>	<b>119,160</b>	<b>119,160</b>	<b>0</b>	
Spcl Assmnt Income/(Exp)	1,027	-	1,027		Spcl Assmnt Income/(Exp)	1,027	(12,167)	13,194	
Reserve Interest - all	417	59	358		Reserve Interest - all	417	802	(385)	
<b>Cmbnd Net Income/(Loss)*</b>	<b>\$ 299,834</b>	<b>\$ 245,727</b>	<b>\$ 54,106</b>	22%	<b>Cmbnd Net Income/(Loss)*</b>	<b>\$ 299,833</b>	<b>\$ 298,081</b>	<b>\$ 1,752</b>	1%
					<i>**Modified Cash Basis, Excludes Depreciation</i>				
	41.00								KCK 06/10/15
	119,267								

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**Manager's Report:** Art Burke

Work is continuing on the drainage issues in the vicinity of the Workshop. A final site visit is scheduled with Jefferson County Dept. of Community Development on Dec. 15<sup>th</sup> to determine mean high-high water elevation. Elevations have proven to be critical in determining whether additional permitting may be required.

We were notified by PUD that for the last several years the charge for electrical service at the pool has been incorrectly calculated. This likely dates back to when the single phase service was upgraded to three phase in December of 2010 while Puget Sound Energy owned the electric utility. The error is based on a "multiplier" that is used for some meter connections. At one point in time the multiplier at this location was 10 and was reduced to 1 during the upgrade. PUD is claiming the multiplier should be 40 and are planning to bill us for the last 6 months at the correct amount. The first bill at this new multiplier is significantly higher than previous bills. We will wait until we have all of the information concerning this change before deciding on a course of action.

I accompanied representatives from the WA Dept. of Fish and Wildlife who are conducting a study of Hydraulic Project Approval (HPA) permits to evaluate the permit process and the compliance achieved. This is a part of a statewide review of HPA permitted projects.

I have completed three additional speed surveys – two in the Village and one in the Colony. I will continue to run through my list of locations and provide reports.

Projects being worked on by the Office Administrator:

- Mailed final backflow testing letter
- Posted the Annual Membership Minutes and the Board Minutes to the website. So far up to 1993
- Annual Marina Registration packet mailed out for 2017

Projects being worked on by the Caretaker:

- Modifying and outfitting the replacement 1 ton truck.
- Roadside drainage issues in the Colony and Village.

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

- Report of kite surfers landing in vicinity of Clubhouse.
- Report of overhead cable being installed in the Village.
- Report of a guest at a Clubhouse rental using threatening language toward a dog owner in the off leash area.
- Complaint of barking dog in the Village.

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Environmental, Water, and Marina.

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The reports are attached to these minutes and incorporated by reference.

**Information Items:**

- A. The Trustees reviewed a member request to allow a time for nude swimming in the pool. The Trustees asked that the Pool Committee review and comment on the request.
- B. The manager provided information concerning a recent PUD electric bill for the pool building. The PUD discovered an error in the meter multiplier and they were planning on recovering 6 months of underpaid billings. Additional information will be provided to the Trustees as it becomes available.
- C. The Trustees reviewed Water Manager Greg Rae's summary of the sanitary survey report that was conducted by the WA State Dept. of Health.
- D. The Trustees reviewed the final report on the Pool Dehumidification Project.
- E. The Trustees reviewed the 2017 employee health insurance premium information.
- F. The Trustees reviewed traffic speed survey results from Dennis Blvd and S. Palmer Dr.
- G. The Trustees discussed the time of day that Board Meetings are held and whether it was more appropriate to hold the meeting at 3pm. Input will be gathered from the community.

**Member participation:** None

**New Business Action Items:**

**Motion 1:** Carol Wood moved and Leslie Fellner seconded to accept the resignation from Harbormaster Richard Woodcock and thank him for his exceptional service to the community. – Passed 5/0

**Motion 2:** Katie Habegger moved and Ray Pierson seconded to appoint Scott Munson as the new Harbormaster. – Passed 5/0

**Motion 3:** Leslie Fellner moved and Katie Habegger seconded to approve transfer of \$432.73 from General Reserves account to General Checking to pay The Glass Magician, as per stated in Resolution 12/01/16. – Passed 5/0

**Motion 4:** Karen Krug moved and Carol Wood seconded, based on the Manager's memo of 12/07/16 regarding past due account, that the following accounts, all over 180 days old, be placed with Saba Collection agency for nonrecourse collection; BEC001=\$536; KEN001-2=\$506; SLA005-2=\$326; MAE001-2=\$548; MAE001=\$843 and CAR003=\$526 with the total turned over at \$3,287. (Note all amounts rounded to the nearest dollar for presentation.) – Passed 5/0

**Motion 5:** Karen Krug moved and Katie Habegger seconded, based on the Manager's memo of 12/07/16 regarding past due accounts, that the 2016 Allowance for Doubtful Accounts be increased by \$4,120 with appropriate distinction between various categories of receivables. - Passed 5/0

**Motion 6:** Karen Krug moved and Leslie Fellner seconded, based on the Treasurer's memo of December 6, 2016 that \$85,226 minimum excess operating cash be transferred to reserves with amounts as follows to: General Reserves=\$30,511; Water Reserves=\$44,391; and Marina Reserves=\$10,324 with the transfer to be completed prior to 12/21/16. - Passed 5/0

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**Motion 7:** Karen Krug moved and Ray Pierson seconded, based on the Treasurer's memo of December 6, 2016, dated in error as November 5, 2015, that \$118,306, representing total 2016 net collections, be allocated from the Routine Reserve Assessment to the following: General Reserves=\$55,486 (46.9%); Water Reserves=\$45,666(38.6%); and Marina Reserves=\$17,154(14.5%) with the transfer completed prior to 12/21/16.  
– Passed 5/0

**Motion 8:** Karen Krug moved and Richard Hilfer seconded, based on the Treasurer's memo of December 12, 2016 that the Board ratify the six (6) asset additions and one (1) deletion listed in that memo. – Passed 5/0

**Motion 9:** Richard Hilfer moved and Karen Krug seconded to approve changes to Due Date Adjustment form. – Passed 5/0

**Motion 10:** Carol Wood moved and Katie Habegger seconded to approve Resolution 12/02/16 to transfer \$10,997.09 from General Reserves and \$10,997.09 from Water Reserves to Operations Checking for 1Ton Truck Replacement, Thomas Auto Sales \$19,745, Les Schwab Tires \$2,085.68, The Sign Station \$163.50 – Passed 5/0

**Motion 11:** Katie Habegger moved and Richard Hilfer seconded to approve 2017 Clubhouse blackout dates. – Passed 5/0

**Motion 12:** Richard Hilfer moved and Leslie Fellner seconded to approve end of year employee bonuses of \$300 per employee and \$300 for the Water Manager. – Passed 5/0

**Open Board Discussion:**

Karen Krug expressed her appreciation of Art Burke's participation in the CGU presentation "**Top Tips for Living in Cape George**". The talk given in November, contained information about the HOA that even some longtime residents may not have known.

It was suggested the talk should be given on a yearly basis, possibly at the annual membership meetings held in July. The trustees agreed it would be worthwhile.

**Announcements:**

- A. Study Session – January 10, 2017 3:00 P.M.
- B. Board Meeting – January 12, 2017 7:00 P.M.

**Adjournment:** Karen Krug moved and Richard Hilfer seconded to adjourn the regular session at 7:17 pm. Passed – 5/0

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Submitted by:

Approved by:

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Leslie Fellner, Secretary

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Richard Hilfer, President

**Committee reports:**

**ENVIRONMENTAL COMMITTEE MINUTES - Monday, November 14, 2016**

**IN ATTENDANCE:** Art Burke, Sue Dunning, Dennis Fellner, Katie Habegger, Joan Hommel, Marta Krissovich, Norma Lupkes, Kitty Rucker, Steve Shapiro, Robin Scherting, Linda Sutton, Varn Brooks

The meeting was called to order by Kitty at 9:15. The minutes of the last meeting were approved.

**Fiscal report:** Kitty reported that the Environmental Committee fund is now \$3466.73 (*these are not funds belonging to Cape George Colony*).

**OLD BUSINESS:**

- 1. Community Garden:** Marta presented a summary of progress to date in the proposed establishment of a community garden in Cape George. The garden site options are the area of concern and again suggested that the Garden Committee might consider the area immediately behind the mailboxes in the colony as a viable option as other sites may not be possible because of leach field issues identified by the Health Department.
- 2. Fund Raising Dinner, October 29:** The event was a huge success and a big thank-you goes to all committee members who made it happen. Brats were served by the EC and attendees brought potluck sides and desserts with prizes awarded for the best “themed” food creations. There were also prizes for best “themed” costumes and best carved pumpkin as judged by Steve and Chris Shaprio. As a fund raiser, tickets were sold for a **50/25/25 drawing** at 1 for \$5 or 5 for \$20 – as a result tickets totaling \$200 were sold with the environmental fund receiving 50% and 25% to each of two winners. Robin was in charge of a silent auction which netted \$213. Admission tickets netted \$899 with 8 tickets for newcomers to be submitted to the Social Club for payment.

**NEW BUSINESS:**

- Varn reported that he is currently waiting for the 1.5 “ wide samples cut from the tree round being housed in the gazebo in the clubhouse picnic area to be processed and returned from a professor at Centralia College who is currently working with him on this project.
- Lorna and Daryl will present the next movie in the clubhouse on Nov 29 at 7:00 – **“Animals in Danger of Extinction”** – please join us – popcorn will be provided.
- Help has been requested to weed and prune at the next northeast corner of the clubhouse. Kitty will set up a time to accomplish this and contact members by email.

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4. The plaque at Memorial Park was in poor condition and has been refinished and restored in the shop. Thanks to Jack Schertering and his helpers!!
5. The steps down the ravine are also in need of attention and Art announced they were on the list to replace in next year's schedule. Robin proposed that we once again support the Boiler Room by taking their "list of needs" and bringing items to the next meeting. It was also proposed to save the Farberware stamps from Safeway – she will check with them if cookware is something they need.

**ADJOURNMENT:** The meeting was adjourned at 10:30 a.m.  
Respectfully Submitted: Norma J.Lupkes

**WATER ADVISORY COMMITTEE - DECEMBER 6, 2016**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water Manager; Larry Southwick, Committee Chair; and members Stewart Pugh, Scott James, and Thad Bickling.

1. Greg reported that he had a meter technician calibrate our source meters on November 8. The meters that we use to report to the DOH were within calibration limits. The meter for well #6 was at 111.6% which is outside of limits; the meter was cleaned of a manganese buildup and retested at 101.7%. The calibration limits are between 98.5 and 101.5. Since we don't use this meter to report to DOH, it was accepted.
2. On November 11, they performed a drawdown test of tank 5 with the other tanks turned off for 2 hours with a drawdown of 14" which equals 4,633 gallons or 2,316 gallons per hour. The next time they will test it with a fire hydrant open in order to simulate a main break. And they will run a similar test next summer during peak flows. This is with respect to our discussions about emergency events and shutting down the system while allowing one tank to operate and we check for main breaks. They may add a large ruler to the float device to make it easier to record the levels.
3. The Dept. of Health Sanitary Survey of our water system occurred on October 20. Art has a complete copy of the report from DOH. There was one significant deficiency: that we install an air gap for the service water line going into the permanganate solution by Dec 30, 2016. There were 2 findings and several recommendations to be addressed. They needed proof that the potassium permanganate used in the treatment system was approved for potable water. That was just a matter of sending them a photo of the label on the container. The second was that we submit photos of the reservoir hatch gaskets on 4, 5, and 6, and the vent screen on 4.  
The recommendations are: that Donnie be tested and certified as a water operator which isn't mandated because he's under the supervision of Greg who is certified; that we monitor and record daily chlorine residuals; that we test for iron and manganese monthly by sending that test out to a lab instead of just doing our own test on-site; and that we verify/adjust the number of current connections by separating the Cape George connections (e.g., office, marina, irrigation) from the residential connections.
4. The third and final letter directing members with backflow assembly valves to have them tested was sent to six members. Terri is following up to get them completed. One device needs to be installed and then tested.

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5. Art reported that they have purchased a replacement truck, a 2004 F450, for the old one-ton truck. They are in the process of removing some equipment from the old truck and installing it on the new one and making some other improvements. It was purchased 50-50 from general and water reserve funds. Scott questioned whether that's an equitable split, that we track the use to document the split and asked why the marina fund isn't paying a share? Art felt that it's an appropriate split. Art said that the old truck will be sold once they are finished getting all the equipment removed. After the meeting, Karen emailed that the proceeds from the sale of the old truck will be credited 50-50 to the general and water reserve funds to offset the purchase cost.
6. Stew reported on water leak follow-up. He assisted one owner in locating a leak on their irrigation system. Usually he just reports it to the owner and then asks them to call him back on what they find and how they resolve it but this one asked for his help. We discussed how some owners may need assistance to respond to these leak reports. Stew said it usually is something a handyman can resolve but sometimes may require a plumber. The office has a handout for owners that may help them resolve water leaks. We also discussed the imminent freezing weather and the need to be prepared to respond to water leaks and other problems if we get a hard freeze.  
The next meeting will be on **January 3, 2017 at 5 pm at the Office.**

**Marina Committee Meeting - December 6, 2016**

The Marina Meeting was called to order at 11:00am – Meeting chaired by Richard Woodcock as Harbormaster. 16 members present.

Apologies received from Carol Wood

**INFORMATION ITEMS**

All expenditure items must be authorized by the harbormaster prior to purchase. The dock water on the north and south docks has been turned off for the winter. Emergency mooring lines are available beside the marina office door. If you use them please put them back after you use them. The 2017 marina registration forms have been mailed for return to office.

**DELINQUENT BOAT**

The delinquent boat in the marina will be advertised for auction in the Port Townsend Leader newspaper on December 7, 2016. The auction will be on December 20<sup>th</sup> at 10:00am. Boat is available to view 1 hour before auction.

**DOCK FLOAT CLEANING**

Cleaning the marine life off the plastic dock floats was discussed. Jim Bodkin stated that some growth had occurred on the floats but not a noticeable amount. There are approximately 750 plastic dock floats in the marina. No current action required.

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DOCK ELECTRICAL PEDESTAL PROJECT

Craig Muma discussed the replacement of the old undersized electric lines and degraded electric pedestals in the marina. Construction bids will be taken during the first quarter of the year. Construction should start during the second quarter of the year. Replacement of the water system would be concurrent with the construction. The electric pedestals will have two 30 amp plugs and a water spigot. Craig will be away until April – Lad Burgin will be point person on this project in his absence.

SEA WALL ZINCS

Seawall zincs were replaced this December – memorable team work in the dark – thanks to all who were involved. See Paul Happle's new photos at the marina which includes photos of the zinc project. The marina will research 6 zincs on a steel cable hung from the seawall as an alternative to welding zincs to the seawall. 26 new zincs will be ordered during the first quarter of 2017.

FUEL POLISHING

Fuel polishing was discussed – initial designs being considered by Ben Fellows and Lad Burgin.

GATE CLOSURE - DECEMBER

Marina road gate closure in December will be handled by Sonya Ericsson w/c 6<sup>th</sup> Dec., Chuck Hommel w/c 13<sup>th</sup> Dec, Jim Bodkin w/c 20<sup>th</sup> Dec and Richard Woodcock w/c 27<sup>th</sup> Dec.

HARBORMASTER NOMINATION

At the November Marina Meeting Richard Woodcock announced that he and Karen were planning to move permanently to the UK and gave notice of his intention to resign as harbormaster. At December meeting Scott Munson was Nominated for Harbor Master by Penny Jensen and seconded by Jack Scherting. The vote was unanimous. Plan is that Scott will take over as Harbormaster with Richard assisting as required.

NEW YEARS EVE PARTY

A New Year's Eve party is being planned at the clubhouse; interested persons should contact Marta Favati.

ANY OTHER BUSINESS

The marina committee thanked Richard Woodcock for his service as the harbormaster.

Meeting adjourned at 11: 45am