

CAPE GEORGE COLONY CLUB
ANNUAL MEMBERSHIP MEETING
July 17, 2010
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1. **Call to order:** Robin Scherting served as the host for this meeting. Meeting was called to order at 2:00 PM.
2. **In Attendance:** Board members in attendance included Robin Scherting, Leanne Ryan, John Hanks, Mike Smith, Richard Hilfer, Dick Poole, and Tom Ramsey. Approximately 30 members were in attendance.
3. **Action on Minutes:** Barbara Hill moved, Gary Nelson seconded, to approve the minutes from the last Membership Meeting of July 25, 2009. Passed by the Members
4. **Membership Report:** Richard Poole, Secretary, Provided both an oral and written report. The oral report was a summary of the written report which is available at the CGCC office. There were 34 new members which represent 22 properties.
5. **Treasurer's Report:** Tom Ramsey, Treasurer, provided both an oral and written report. The oral report was a summary of the written report which is available at the CGCC office.
6. **Manager's Report:** Arthur Burke, Manager, provided both an oral and written report. The oral report was a summary of the written report which is available at the CGCC office.
7. **Water Manager's Report:** Greg Rae, Water Manager, provided both an oral and written report. The oral report was a summary of the written report which is available at the CGCC office.
8. **Committee Reports:**
 - BUILDING:** The Building Committee reviewed and issued permits for 65 requests to conduct tree cutting and building activities during the past 12 months. It also reviewed and made recommendations to the Board on the merits of five variance requests. In addition, it provided information about the Cape George building regulations to people planning to build or purchase property in the community. Several revisions to the Building and Property Regulations that would improve clarity or address neglected issues were drafted and presented to the Board for their consideration. A summary of the permits issued is provided below. **Tree removal permits:** - Colony, 20, Village, 6, Highlands, 7 Total 33.
 - Earthworks permits:** - Colony, 9, Village, 6, Highlands, 4 Total 19 (includes driveway connections).
 - Building permits:** - Colony, 7, Village, 3, Highlands, 3 Total 13 (Includes four new residences)
 - EMERGENCY PREPAREDNESS:** The Cape George Emergency Preparedness Committee continued to prepare for potential disaster impacts on CG residents, members and renters. The EMC met twice during the year to provide guidance to the Committee chairs. After 10 years, the Neighborhood Watch/Block Captain Telephone Trees, co-chaired by Mikel Stull and Helen Rector, were disbanded in favor of a telephone tree based on the Cape George directory. EPC Education Chair, Sue McKay, has provided preparedness information for each month for publication in the CG newsletter. She also organized a flu presentation and CPR and first aid workshops for members. The EPC Special Projects Committee, chaired by Maria Porter, is gathering information from those residents who self-identify as possibly needing a little extra help in the event of a disaster. They will provide information on how to prepare to folks with special needs. The Incident Management Team and 1st Responders, coordinated by Carolyn Salmon, have held training exercises with the participation of the five CG HAM operators. The team has acquired a 250 gallon tank to hold potable water in the event the water distribution system is compromised. They also acquired two portable loud hailers to be used to notify residents in their yards or at the Marina of impending disaster and for other communications needs. The EPC co-chairs and other EPC members have attended the bi-monthly Neighborhood Representatives' meetings sponsored by East Jefferson County Emergency Management Department. Thanks to Bill for organizing and serving on the EPC for eight years and Mikel Stull for 10 years of diligent service in gathering and keeping the telephone tree information current. Their active participation will be missed as they step back from EPC positions; however, like all CG residents, they will be prepared to act if there when there is a disaster which affects their neighbors.
 - ENVIRONMENTAL:** Our Environmental Committee continues work on its areas of responsibility: maintaining our many common areas, in cooperation with our Manager and maintenance staff; provide enjoyable educational programs for the membership; coordinating outside agencies such as the state Dept. of Natural Resources, the Jefferson County Weed Control Board; and the Port Townsend Marine Science Center and of course, fundraising. Since last July we have accomplished the following:
 - Ridge Drive Entrance:** We planned and planted the large area between the entry sign and the

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

MARINA: The Marina Committee is pleased to report yet another year of self sustained repairs and improvements to one of our communities greatest assets. We accomplish this with a core volunteer working group and, where necessary, the cost effective use of professional contractors. The Marina was constructed approximately 50 years ago and the infrastructure, including entrance walls, pilings, docks, floats, water and electrical systems are all subject to natural forces and decay. **Member Survey:** A survey of members' views on the value of, and needed improvements to the Marina was

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

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

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

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

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

WATER: The Committee is advisory to the Board of Trustees on all matters pertaining to the water system and works to maintain the integrity of the water system. The Committee membership is approved by the Board and serves for a two-year period from August 2008 to 2010. Meetings are typically held on the first Tuesday of each month at 5 pm. Meeting reports are provided to the Board after each meeting. Greg Rae is the licensed 'Water Manager' and oversees the technical and health-related operations. The day-to-day operations of the water system such as meter reading, leak repairs and new connections are performed by the Manager and staff. Emergency coverage is provided 24/7 as needed. The main items of Committee business for the August 2009 – 2010 year were as follows:

Water System Plan: Most of the year, we (primarily Ed, Greg and Stew) have been working on drafting and submitting an updated Water System Plan (WSP) to the WA State Dept. of Health (DOH) as required by law. DOH has a standard format for all agencies and much of it was filling in the blanks with existing information from our previous Plan but some of it required updating. Ed did most of the drafting with input from Greg and our consultants, NTI of Port Angeles. We also, with thanks to Stew, updated the system plans for the water well and tank site. Stew surveyed and developed detailed drawings for the wells, pump stations, tanks and piping that were included in the WSP. The draft Plan was submitted to the DOH only to find that it might have led to limiting our water availability to less than full build out for every lot in Cape George. It appeared that we needed to expand the draft WSP in order to better address that issue. The Manager, Ed and Greg met with DOH and determined that we should wait on submitting the final WSP until a lawsuit by others with regard to water rights is resolved. Lower

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

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

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

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

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

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

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