

**CAPE GEORGE COLONY CLUB
ANNUAL MEMBERSHIP MEETING
July 16, 2016
2:00 PM**

Vice President, Ray Pierson called the meeting to order at 2:05 p.m.

Welcome

Trustees in Attendance: Karen Krug, Carol Wood, Katie Habegger, Michael Hinojos and Ray Pierson

Action on Minutes: Penny Jensen moved and Michael Hinojos seconded to approve the minutes of the Annual Membership Meeting of July 18, 2015. Passed.

Annual Membership Report: Katie Habegger

There were 45 new members between July 5, 2015 and July 5, 2016, - 14 of these new members purchased lots. An additional 12 properties are currently in escrow and set to close prior to July 29th, 2016.

Annual Reports:

The following reports were submitted to the Board of Trustees and the membership prior to today's meeting: Annual Treasurer's Report, Manager's Report, Water Manager's Report also the following committee reports: Building, Emergency Preparedness, Environmental, Fitness, Marina, Nominating, Roads, Pool, Water and Workshop.

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

Member Participation:

Members expressed their approval of the new procedure of circulating written committee reports prior to the membership meeting, rather than having committee chairs give verbal reports. It is anticipated that this more streamlined procedure will shorten the length of the annual meeting.

Penny Jensen made an announcement regarding the fish kill in the Marina two weekends ago. It is most likely a result of oxygen deprivation with so many fish (21 million?) in the Marina waters at once, according to the Dept. of Fish and Wildlife.

Several members asked about the deep end ropes and lane markers in the pool being absent. Art explained the ropes had been broken and our supplier did not have enough product in stock. Additional material has been ordered and will be installed as soon as possible.

Election Results: Report by Joyce Skoien, presented by Katie Habegger, Secretary

The Election Committee met to count the ballots cast for the Trustee Election at 9 am on Friday, July 15, 2016 upstairs at the office.

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For this election, there were only 578 members eligible to vote. Therefore, a quorum of 144 members was required to constitute a valid election. We had 193 votes cast.

Two ballots were not opened due to: (a) a second ballot with the same signed name and (b) a member not in good standing.

Two positions on the Board were in contention. The Trustee results are:

1. Karen Krug 178 votes
2. Raul Huerta 153 votes

Thank our members who stepped forward to stand for election. Their interest in being involved with the operation of Cape George is appreciated.

Also, thank you to our Election committee for doing such a good job so early in the morning. Most of the members have been on the committee for many years, which helps with the execution of the procedure to maintain the integrity of the secret ballot.

Respectfully submitted: Joyce Skoien

Congratulations to Karen Krug and Raul Huerta.

Adjournment:

Michael Hinojos moved and Karen Krug seconded to adjourn at 2:30 pm. Passed unanimously

Submitted by:

Approved by:

Katie Habegger, Secretary

Ray Pierson, Vice President

YTD 2016 (January 1, 2016 thru June 30, 2016)

The left-hand portion of Page 3 contains a summarized operating statement showing six month results, 2016 versus 2015. The top portion of Page 4 contains a highly summarized balance sheet comparing June 30 of the two years.

Actual operations compared to budget as well as more detailed line item information is published monthly on the website and is also summarized in each month's Treasurer's Report. That information is always available for review in the Office.

Through the first six months, General and Water operations show results nearly identical to the same time period last year. Marina operations are less favorable than the prior year due to higher expenditures for a piling study and an electrical study, both of which were budgeted.

The new capital shown in General operations was the purchase of fitness room equipment and a offsetting cash donation from the Fitness Committee is included in the cost center's revenue. The Social Club also provided a in-kind, or non-cash, donation of clubhouse blinds and sconces valued at about \$5,000.

The slight increase in labor costs between last year and this year, that affects all cost centers, was expected since basic wage rates were increased by 3% during the budget. Similarly, the noticeable decrease in insurance expenses was also expected since one-half of the premium change from last's year's discontinuation of earthquake coverage was recognized in the current year.

Cash positions remain strong. The corporation's cash and cash equivalents are held in five different financial institutions so that FDIC/NCUA limits are not exceeded on other then a temporary basis. As is proper in a fiduciary environment, the corporation holds its cash primarily in CDs and money markets to ensure adequate liquidity while minimizing risk.

Fiscal Year 2015 (January 1, 2015 thru December 31, 2015)

The right-hand portion of Page 3 contains a summarized operating statement showing year-end comparisons between 2015 and 2014. The bottom portion of Page 4 contains a summarized balance sheet with year end between the years.

As with monthly financial information, audited information is published on the website and is available in the Office.

Fiscal year 2015 produced very satisfactory results. In total, the corporation recognized about \$670,000 in income from various assessments and other sources, had expenses of about \$425,000 which does not include depreciation expense, a non-cash item, of \$107,000.

Based on 2015 results, the three reserves, General, Water and Marina, were increased by about \$245,000. The increases were a combination of excess operating cash and the routine reserve assessment. The actual deposits occurred in both 2015 and 2016 and are shown in more detail on Page 2.

All three cost centers finished the year at, or better than, their original budgets. General and water operations finished 2015 with bottom lines better than 2014. Marina operations would also have finished 2015 better than 2014 but the first year's depreciation expense for the two seawalls was recognized in 2015 skewing comparative results by about \$9,000.

Insurance expense showed a significant reduction between 2014 and 2015 as a result of the unavailability of earthquake insurance. No carriers are offering HOA earthquake insurance on the West Coast. Since the insurance policies renew in June of each year, only half of the reduction is recognized in 2015.

Labor costs remained nearly flat between 2014 and 2015, a result of very modest wage increases and a reductions in experienced-based State unemployment taxes.

Cash positions, 2015 versus 2014, improved due largely to the routine reserve assessment coupled with only moderate expenditures from reserves during the year.

The 2015 audit, again conducted by Cagianut & Co. (C&C), resulted in an unqualified or "clean" audit opinion. The Federal income tax liability for 2015 was \$1,000 compared to the 2014 liability of \$200 both years' liability fairly evenly split between the taxable activities of general and marina operations. There were several very minor audit adjustments that changed the bottom line by \$100 and two comments on internal control, the latter corrected immediately.

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Some other things you might find interesting:

There are 662 equivalent lots that pay the general assessment and the routine reserve assessment. While there are no current special assessments, any future specials passed by the Members would also be the responsibility of the 662 equivalent lots.

As of 6/30/16, there were 512 water connections throughout the association. Lots with water connections are the only lots charged the basic annual water fee.

Cape George Colony Club, Inc., is incorporated in the state of Washington as a non-profit entity. It is exempt from certain Washington taxes but it is **not** exempt from Federal income tax. As a homeowners' corporation, it does receive some favorable tax treatments so that only certain of the corporation's activities are subject to Federal taxation. Cape George must however pay other kinds of taxes like State and Federal payroll taxes, certain Washington business and excise taxes and a few county property taxes.

As is required, Cape George separates accounting transactions between routine recurring operations and the reserve funds that are held for major repair and/or replacement of long lived assets. Internally Cape George categorizes accounting activities into three cost centers, General, Water and Marina. Each cost center is funded through separate methods, i.e. general assessments, water fees, etc. and each cost center has a unique corresponding reserve account.

A comprehensive financial statement package is provided to Board members on a monthly basis. That package is published monthly on the Cape George website and is available for review in the office. In addition, the complete annual external audit is provided to Board members, published on the association's website and available in the office for review.

RESERVES	General	Water	Marina	Routine Reserve
Audited Reserve Balance - 12/31/2014	\$ 95,099	\$ 284,275	\$ 25,624	\$ 117,558
(1) 2014 Final Excess cash transfer (4/22/15)	1,470	3,100	(1,089)	0
(2) 2015 Budgeted excess cash transfer (11/23/15)	24,256	48,100	10,550	0
(3) 2015 Allocated transfer of Routine Reserve	55,380	45,578	17,122	(118,080)
(4) Partial payback of S. Seawall loan	47,628	0	0	0
(5) Interest and other minor reserve income	1,708	984	27	165
(6) Prepayments of 2016 Routine Reserve assessment				21,199
(7) 2015 Project Draws:				
Clubhouse and Office painting	(11,990)	0	0	0
Initial pool septic draws	(2,205)	0	0	0
Dock float draws	0	0	(10,375)	0
Audited Balance - 12/31/2015	211,346	382,037	41,859	20,842
(8) Final 2015 excess cash transfer (4/20/16)	17,900	15,955	8,383	0
(9) Final payback of S. Seawall loan	2,350	0	0	0
(10) YTD collection of Routine Reserve assessment	0	0	0	56,391
(11) 2016 YTD interest and other minor income	77	147	17	18
(12) 2016 YTD Project Draws:				
Initial pool dehumidification draw	(59,341)	0	0	0
Well #4 major renovation draw	0	(17,919)	0	0
Final pool septic draws	(13,844)	0	0	0
Office carpet	(8,324)	0	0	0
Unaudited Balance - 06/30/2016	150,165	380,220	50,259	77,251

Based on the \$180 per lot assessment less estimated bad debts, it is anticipated that around \$118,080 will again be allocated in late December 2016. That allocation will be: General = 46.9%; Water = 38.6% and Marina = 14.5%.

Both the North Seawall and South Seawall projects have been completed and the accounts for those two projects closed.

The Berm special assessment account, which had a 12/31/15 audited balance of \$5,873 has had two draws through 2016 and on 6/30/16 had a balance of \$1,089. There are additional draws of \$850 scheduled for July 2016 which will effectively close that account.

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COMPARATIVE INCOME STATEMENTS FOR PERIOD INDICATED

	6/30/2016	6/30/2015		
Modified Cash	Unaudited	Unaudited	Variance	%
General Assessment	\$ 143,204	\$ 143,204	\$ -	0%
Revenue-All Other Sources	15,319	13,693	1,626	12%
Total General Revenue	158,523	156,897	1,626	
Expenses:				
Salaries, Benefits, etc.	65,576	64,446	(1,130)	-2%
Repairs & Maintenance	6,053	4,822	(1,231)	-26%
Contracted Services	19,876	21,690	1,814	8%
Supplies	6,146	5,427	(719)	-13%
Insurance	9,398	11,166	1,768	16%
Pool expenses	9,397	7,229	(2,168)	-30%
Taxes	1,091	702	(389)	-55%
Other operating expenses	5,431	6,887	1,456	21%
Deprn, New capital*	2,963	-	(2,963)	#####
Total General Expenses	125,931	122,369	(3,562)	
General Net Income	\$ 32,592	\$ 34,528	\$ (1,936)	-6%
Water				
Total Water Revenue	\$ 97,375	\$ 95,234	\$ 2,141	2%
Expenses:				
Salaries, Benefits, etc.	29,498	29,023	(475)	-2%
Repairs & Maintenance	432	680	248	36%
Contracted Services	9,246	7,409	(1,837)	-25%
Supplies	6,747	4,210	(2,537)	-60%
Insurance	4,933	5,947	1,014	17%
Taxes	5,750	5,068	(682)	-13%
Other operating expenses	5,173	6,107	934	15%
Deprn, New capital**	-	-	-	#####
Total Water Expenses	61,779	58,444	(3,335)	
Water Net Income	\$ 35,596	\$ 36,790	\$ (1,194)	-3%
Marina				
Total Marina Revenue	\$ 63,532	\$ 64,198	\$ (666)	-1%
Expenses:				
Salaries, Benefits, etc.	6,386	6,392	6	0%
Repairs & Maintenance	4,014	3,492	(522)	-15%
Contracted Services	5,205	1,133	(4,072)	-359%
Supplies	1,648	508	(1,140)	-224%
Insurance	3,028	3,199	171	5%
Taxes	468	292	(176)	-60%
Other operating expenses	3,108	3,263	155	5%
Deprn, New capital**	-	-	-	#####
Total Marina Expenses	23,857	18,279	(5,578)	
Marina Net Income	\$ 39,675	\$ 45,919	\$ (6,244)	-14%
Reserve Income & Expense	60,277	59,904	373	100%
Combined Net Income	\$ 168,139	\$ 177,141	\$ (9,001)	-5%

	12/31/2015	12/31/2014		
Full Accrual	Audited	Audited	Variance	%
General Assessment	\$ 286,408	\$ 275,392	\$ 11,016	4%
Revenue-All Other Sources	22,132	23,802	(1,670)	-7%
Total General Revenue	308,540	299,194	9,346	
Expenses:				
Salaries, Benefits, etc.	131,930	130,017	(1,913)	-1%
Repairs & Maintenance	17,871	18,309	438	2%
Contracted Services	37,310	43,889	6,579	15%
Supplies	11,844	10,194	1,650	16%
Insurance	20,468	22,418	1,950	9%
Pool expenses	14,307	25,978	11,671	45%
Taxes	1,921	1,257	(664)	-53%
Other operating expenses	12,848	17,694	4,846	27%
Deprn, New capital**	64,678	64,689	11	0%
Total General Expenses	313,177	334,445	22,918	
General Net Income	\$ (4,637)	\$ (35,251)	\$ 30,614	-87%
Water				
Total Water Revenue	187,214	186,253	\$ 961	1%
Expenses:				
Salaries, Benefits, etc.	59,986	58,775	(1,211)	-2%
Repairs & Maintenance	6,463	12,819	6,356	50%
Contracted Services	14,274	15,059	785	5%
Supplies	8,585	8,038	547	7%
Insurance	10,901	12,187	1,286	11%
Taxes	9,726	10,333	607	6%
Other operating expenses	13,223	14,015	792	6%
Deprn, New capital**	23,145	21,504	(1,641)	-8%
Total Water Expenses	146,303	152,730	6,182	
Water Net Income	\$ 40,911	\$ 33,523	\$ 7,388	22%
Marina				
Total Marina Revenue	\$ 66,130	\$ 65,479	\$ 651	1%
Expenses:				
Salaries, Benefits, PR Tax	13,079	13,021	(58)	0%
Repairs & Maintenance	17,992	15,562	(2,430)	-16%
Contracted Services	2,128	4,137	2,009	49%
Supplies	1,766	4,368	2,602	147%
Insurance	6,044	6,155	111	2%
Taxes	641	782	141	18%
Other operating expenses	5,547	6,933	1,386	25%
Deprn, New capital**	19,453	10,094	(9,359)	-93%
Total Marina Expenses	66,650	61,052	(5,598)	
Marina Net Income	\$ (520)	\$ 4,427	\$ (4,947)	#####
Reserve Income&Expense**	106,434	(279)	106,713	100%
Combined Net Income	\$ 142,188	\$ 2,421	\$ 139,768	#####

*Dprn (depreciation) is a non-cash item booked only at year end and is not included in the calculation of excess cash transfer to reserves. New capital is used for interim reporting purposes only as it is included in the calculation of excess cash transfer to reserves but is not considered an operating item for audit purposes.

** In 2014 there was no Routine Reserve assessment. For 2014 audit purposes, special assessment revenues were recognized in the amount of \$423,000 from the North Seawall, South Seawall and Berm. The draws associated with these revenues are treated as asset additions on the balance sheet.

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COMPARATIVE BALANCES SHEETS FOR PERIODS INDICATED

INTERIM UNAUDITED AS OF JUNE 30 2016 AND 2015

	Year-to-date 06/30/16	Year-to-date 06/30/15		Year-to-date 06/30/16	Year-to-date 06/30/15
Assets			Liabilities and Fund Balances		
Cash and Cash Equivalents:			Current Liabilities:		
Operations - Checking	\$ 158,578	\$ 119,731	Accounts Pay. & Other Liabilities	\$ 7,832	\$ 12,709
Operations - Savings	88,007	105,052	Unearned Income General/Water	91,510	89,142
Petty Cash (2 accounts)	600	600	Unearned Marina Waiting List	1,200	1,200
Reserves-General, Water & Marina	580,642	422,418	All Other Unearned Income	-	-
Routine Reserve(to be allocated)	77,251	76,860	* Due to General Reserve (Loan)	-	32,585
Special Reserves-S Seawalls&Berm	1,088	64,748	Total Current Liabilities	<u>100,542</u>	<u>135,636</u>
Total Cash & Equivalents	<u>906,166</u>	<u>789,409</u>			
Net Accounts Receivable	5,073	6,425			-
Due from S.Seawall Reserve	-	32,585			-
SpclAssmnts Receivables	-	16,074	FUND BALANCES:		
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 YTD Income**	168,139	177,141
TOTAL ASSETS	<u>\$2,776,376</u>	<u>\$2,665,128</u>	Total Liabilities and Fund Balance	<u>\$2,776,376</u>	<u>\$ 2,665,128</u>

* At year end, the routine reserve will be allocated to the various reserves: General=46.9%; Water=38.6%; Marina=14.5%.

** Depreciation not recognized on interim statements.

AUDITED FULL YEAR AS OF DECEMBER 31, 2015 and 2014

	Audited 12/31/15	Audited 12/31/14		Audited 12/31/15	Audited 12/31/14
Assets			Liabilities and Fund Balances		
Cash and Cash Equivalents:			Current Liabilities:		
Operations - Checking	\$ 147,964	\$ 81,107	Accounts Pay. & Other Liabilities	\$ 28,293	\$ 16,854
Operations - Savings	70,066	70,039	Unearned Income General/Water	112,344	85,980
Petty Cash (2 accounts)	600	600	Unearned Marina Waiting List	1,300	600
Reserves-General, Water & Marina	635,242	404,998	All Other Unearned Income	-	956
Routine Reserve(to be allocated)	20,842	-	Due to General Reserve (Loan)	2,323	54,067
Special Reserves-S Seawalls&Berm	7,337	58,021	Total Current Liabilities	<u>144,260</u>	<u>158,457</u>
Total Cash & Equivalents	<u>882,051</u>	<u>614,765</u>			
Net Accounts Receivable	4,932	2,769			-
Due from S. Seawall Reserve	2,323	54,067	FUND BALANCES:		
SpclAssmnts Receivables	-	40,962	** Fund Balances (Combined)	2,360,256	1,926,776
Total Net Fixed Assets	1,737,106	1,774,667	Modified Cash Basis YTD Income**	142,188	425,574
Total Prepaid & Other Assets	20,292	23,577	Total Liabilities and Fund Balance	<u>\$ 2,646,704</u>	<u>\$ 2,510,807</u>
TOTAL ASSETS	<u>\$2,646,704</u>	<u>\$2,510,807</u>			

** Audited income on the Balance Sheet DOES include depreciation expense of \$107,276 and \$99,287 respectively.

July 2015 – June 2016 Annual Reports

ANNUAL MEMBERSHIP REPORT

There were 45 new members between July 5, 2015 and July 5, 2016, 14 of these new members purchased lots. An additional 12 properties are currently in escrow and set to close prior to July 29th, 2016.

MANAGER'S ANNUAL REPORT

Late in July 2015 we were visited by a Safety and Health Compliance Officer from Labor and Industry (L&I). His area of concern was specific to the maritime work environment for our employees. In the end there were two areas of concern for which we will be receiving citations. One was for having 24" life rings on the docks instead of 30". The second citation will be for not having a formal safety training program. We have corrected the life ring violation and also established a safety training program that will begin later this month.

Work has been completed on our Accident Prevention Program and Chemical Hazard Communication Program. The programs have been fully implemented and include monthly safety training meeting which are conducted by Office Administrator Terri Brown.

I accompanied a group of state and county officials who were conducting a survey to gather information about how near-shore permitted projects are completed in relation to the permit guidelines. The survey is funded through a federal grant and included representatives from Jefferson County Department of Community Development and state agencies with an expertise in shoreline management projects.

I met with a representative from Triton Risk Management and provided a tour of Cape George facilities. This person was contracted by our insurer, Community Association Underwriters (CAU), to conduct independent risk assessments of CAU clients. Facilities visited include: office, maintenance garage, pool, clubhouse, fitness, workshop, marina and tank farm. The visit lasted approximately 30 minutes.

Initial planning is underway to address the drainage issues at the Workshop. Our drainage designer has had a preliminary meeting with the Jefferson County Department of Community Development to determine what permits will be required to rehab the existing dry well system. As information is prepared we will find out the scope of the project, timeline and approximate costs.

Over the past year the Office Administrator has been working with the Water Manager, Water Committee and members of the community on implementing the cross connection control program. This has included notifying members, scheduling site visits, further refining a tracking database, data entry, and member follow up.

After a one year period of service we have completed our involvement of providing statistical information to the Department of Labor. These once a month surveys involved a phone call where information concerning number of employees, wages, supervisory versus non-supervisory, etc. were reported.

An office face-lift was completed which included exterior and interior painting, new carpet, new tile entryway, replacement of the rear concrete stairs and lots of cleaning inside and out.

The Social Club hired an interior designer to put together a new color pallet for the Clubhouse interior. Over a three day period Social Club members Mary Hilfer, Norma Lupkes and Laurie Owen rolled up their sleeves and spent three days painting the entire building. Not an easy task when you consider how large the building is and how many feet of trim needed to be painted and painted around. They were also joined by Marta Favati, Donnie and Terri. Thanks also to the Social Club for their donation of the paint. A final part of this Clubhouse facelift was the installation of new wall sconces. In addition, the exterior of the Clubhouse/Pool building was painted. It all looks great!

A drainage issue in the vicinity of 400 Sunset Blvd. was identified. A portion of the culvert leading to the beach was obstructed by roots and has been cleared. Additional work is planned to further investigate the source of groundwater still present.

A drainage issue on Colman Place was identified and modifications have been completed.

The installation of the shoreline berm was completed by Seton Construction. Comments received from the community have been very positive. Members of the Environmental Committee completed the installation of 620 dune grass plugs, 7 shore pines and 5 ocean spray trees. Staff and volunteers have completed the reinstallation of the amenities impacted by the berm's installation including, salmon BBQ pit, BBQ grills, fire ring horseshoe court, walkways and benches.

A modification to the septic system serving the pool changing room has been completed. This included the installation of an additional storage tank and replacement of a transport line. A follow up site visit with the septic designer and a representative from Jefferson County Public Health resulted in the system being approved as designed and installed.

It was determined that the pump and motor from Well #4 was no longer serviceable and needed to be replaced as soon as possible. This well is a critical part of the water system operation and its return to service constituted an emergency. An Emergency Board meeting was called on January 6th to address the issue and the Trustees approved the expenditure for its return to service with funding to come from Water Reserves.

An electrical panel in well house #4 was replaced by Double D Electric. This completes the electrical service updates for this building.

After what has been in excess of a five year project involving countless hours of staff, Water Committee member and attorney time, we have received **final** notification from the WA State Dept. of Ecology that our application for increased water rights has been approved.

Additional projects worked on by the Office Administrator:

- End of year water overage invoicing.

October 2015 Earthworks Permits Issued:
 Noah Middleton, 41 Dennis Blvd, Village, Install septic system.

November 2015 Building Permit Issued:
 Dick & Lynn Bumgarner: 223 Victoria Loop, build a new residence.
Earthworks Permits Issued:
 Dick & Lynn Bumgarner: 223 Victoria Loop, Excavate for new home, install septic system, driveway & storm water controls.
 Jim Jimenez: 190 Colman Drive, Install/repair septic system.

January 2016 Building Permit Issued:
 Richard Root: 240 S Palmer Dr, build an addition onto existing home.
Excavation Permit Issued:
 Colby Fox: 150 N Palmer Dr, septic system repair

February 2016 Building Permit Issued:
 Tom Gambill: 222 N Rhododendron Dr, build a new house.
Excavation Permit Issued:
 Tom Gambill: 222 N Rhododendron Dr, excavate for new house.

April 2016 Building Permits Issued:
 Stephen & Anne McFarland, 72 Sunset Blvd, build a new house.
 Brian Cullen & Sally Penczak, 101 Marine View Pl, build a shed.
Excavation Permit Issued:
 Stephen & Anne McFarland, 72 Sunset Blvd, excavate for new house.

May 2016 Building Permits Issued:
 Linda Mackie: 191 Huckleberry Pl, build a shed.
 Jim & Anne Jimenez, 284 S Palmer Dr, build a new house.
Excavation Permit Issued:
 Jim & Anne Jimenez, 284 S Palmer Dr, excavate for new house.
Variance Request:
 Paul & Cathy Tibert: 175 Bridle Way, to build shed on property w/o residence.

June 2016 Building Permit Issued:
 Anne Weaver & Bonnie 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 Dr, Div 7, Blk 14, Lot 38, install septic system.
 Lisa Flanders: 151 N Palmer Dr, excavate for pipe lines for new propane tank.

ENVIROMENTAL COMMITTEE

These are the activities the Environmental committee has achieved this year.

1. We worked on the building, funding, and planting of the berm at the beach to prevent erosion and damage to community property.

2. We wrote and place articles in the newsletter regarding topics that prevent damage to the environment and encourage people to protect their property and the environment.
3. We had a fundraising dinner in October to raise money for environmental projects.
4. We had work parties to cleanup trash Cape George Road.
5. We invited the Washington State University Noxious Weed expert come to speak to the community regarding how to control noxious weeds.
6. We donated money to the building of the North Jetty Park and gazebo at the waterfront.
7. We sponsored movies about the environment each month at the clubhouse.
8. We had work parties to remove poison hemlock from the common areas.
9. We asked Art to have our maintenance crew help remove downed trees and bushes from the common area woods behind the pickle ball court.
10. We donated money to the Clubhouse generator to be used in emergency situations.
11. We have made plans to have another Beach Walk in July.
12. We have been working on the possibility of having a community garden.
13. We maintain a volunteer list of members who maintain common areas in the community.

EMERGENCY PREPAREDNESS COMMITTEE

The Cape George Emergency Preparedness Committee (EPC) was established around October of 2005. Several founding members including Larry Southwick, Dianna Cowan, and John Garrett are still involved today.

The EPC continues to prepare for potential disaster impacts on all CG residents (members, renters, and visitors). EPC is the one committee that hopes to never activate; but, all participants must be trained and prepared to react immediately in the event of a disaster or potential disaster which could impact Cape George residents.

The EPC typically meets twice during the year to provide guidance to the committee chair(s).

Disaster Preparedness Education: Resident Education continues to be top priority for CG EPC. Karla Kauzlarich is the chair of the Education Committee. She has been placing Preparedness information in the CG newsletter and organizes educational opportunities open to all residents. Most of those opportunities this year centered around information tables set up at community events in the clubhouse. These are events that are disaster related such as the recent Cape George University presentation on the expectations for a Cascadia earthquake and resulting tsunami.

We always welcome input from members regarding desired emergency preparedness education topics.

Disaster Planning Activities: The entire Cape George community has been divided into 15 specific areas with one or more **Neighborhood Responders (NR's)** assigned to each area (30 NR's throughout CG), but we continue to look for additional Neighborhood Responders for the Village, Highlands and Huckleberry.

Disaster Training Exercises: We held two large training exercises with the Jefferson County Department of Emergency Management (JCDEM) this year with participation of the CG HAM radio operators, the Incident Management Team, the Neighborhood Responders, Priority Assistance and Disaster First Aid Teams. The second exercise took place by special invitation of the JCDEM during their week long

Cascadia Rising (CRX16) Pacific Coast Region (Oregon, Washington, and British Columbia) exercise in early June. Our teams were given randomly chosen incident scenarios to simulate our response and reporting abilities. This exercise was really well handled by our teams and the JCDEM is pleased with our abilities.

The CG Emergency Preparedness teams' primary responsibilities, in a real disaster, are to assess and gather CG condition information and transmit it to the JCDEM so appropriate resources can be dispatched. Some triage is planned for both people and property, however, it is only available as our volunteers are willing and able after a disaster.

The EPC **Disaster First Aid Sub-Committee (DFAC)**, chaired by Joan Ballough, gathers information from those residents who self-identify as needing a little extra help in the event of a disaster and provides information on how to prepare directly to those folks who may need extra help. They regularly update our emergency medical supplies, customized to the types of needs CG residents might have during a community disaster. These supplies are kept in 2 large red coolers on wheels– you may see them at our next community event.

New Pet/Animal Preparedness Sub-Committee: Please welcome this new committee chair Cassie Reeves. She has extensive experience with pet sheltering and preparedness and will be formulating helpful education materials and plans for CG pets in the event of a disaster.

Greater Community Outreach and Education: The EPC co-chairs and other EPC members participate in quarterly Neighborhood Representatives' meetings (JPREP) sponsored by Jefferson County Department of Emergency Management (jeffcoec.org) and Local 20/20 (l2020.org). Through these meetings the EPC maintains valuable relationships with county DEM personnel and related agencies as well as other East Jefferson community organizers and EPC's.

Cape George EPC will also participate in the 4th annual **All-County Picnic** on **August 21st** (11am-4pm) at H.J. Carroll Park in Chimacum. The event focuses on emergency preparedness, disaster resilience and related neighborhood organizing efforts. There will be many information and education booths, some hands-on opportunities and great speakers. You will be able to meet many JeffCo public officials and DEM personnel. This event is FREE (including corn on the cob and music) and is open to everyone who lives in Jefferson County. Please join us there!

Submitted by:

Thad Bickling, chair Emergency Preparedness Committee

Joan Ballough, chair Disaster First Aid Sub-Committee

Sue Gee, chair Priority Assistance Sub-Committee

Karla Kauzlarich, chair Education Sub-Committee

Cassie Reeves, chair Pet Preparedness Sub-Committee

FITNESS COMMITTEE

We have had an exciting year in the gym. We held our Annual fund raising drive in February. I say annual as it usually is, however we had held off for a couple of years as we knew there were other groups raising money for projects, i.e. The pickle ball court and the berm were raising money.

As a result the community was so very generous and we raised approximately \$5000.00. It makes our efforts feel much appreciated. Thank you again to everyone who contributed.

We were able to contract Olympic Springs to bring in water. It has been a hit. The cost for water this year was \$305.47. We also got a new window that is top opening installed above the Nu-steps it provides increased circulation when the fans are running. We had the Window Scapes Company install new film on the window, this helps with glare and heat during the summer. That cost was \$261.60.

We ordered two new pieces of equipment to be heavier duty than what we had. A commercial Back Hyper exerciser by Hoist and Roc-it Plate loaded Ab Machine. The total on those two pieces came to \$2962.62.

We purchased a reconditioned commercial lightweight vacuum cleaner by Lindhaus Healthcare for \$ 218.99 and lastly installed a grab bar in the floor exercise area and bought a balance board for improving ankle strength and balance. The cost of those two items was \$140.15.

We are looking for a reconditioned upright bike by Life Fitness to add to our room and then we feel it should be pretty well complete and any other funds will be saved for replacements. We are in the reserve schedule but we will need to contribute some to whatever piece is required. Our balance is currently \$3476.59

Robin Scherting has joined me as co-chair of the Fitness Room. I welcome her help as well as all the committee members. The help of Bill Sery, Jack Scherting and Jack Salmon, keeping the machines running smoothly is invaluable. To the wonderful members who vacuum, those that empty garbage and refill the paper towels and cleaning fluids. Robin and I have been donating the paper cups this year for the water. I feel for this next year as we have made the decision to keep the water, they should be included in our budget.

I want to include a thank you to Donnie for all he does for us as well as Art. It truly takes a village to care for the facility. We look forward to another healthy for all of us in Cape George.

Phyllis Ballough
Fitness Committee co-chair

MARINA COMMITTEE

As for all our volunteers at Cape George, your Marina Committee Volunteers are also just the best. 52 Tuesdays a year your Marina Volunteers work on the many tasks needed to keep your Marina as ship

shape as we can. We work not only for today, but for Member's enjoyment for years to come. Your Marina is a priceless amenity.

Some highlights over the past year:

- Craig Muma became your Marina Chair.
- We conducted a piling study and electrical system study (with Craig's assistance). Also a buoy report.
- New floats replaced old styrofoam floats-a continuing project.
- Metal cleats replaced wooden cleats (the wooden cleats made by ?) ((They are loved but wearing)).
- We cleaned docks and painted.
- We built Kingfisher Park Gazebo.
- We sponsored the Waterfront Festival.
- We installed a weather station accessible to all Members.
- We supported the Workshop purchase of a generator.
- Designed a research sediment study.
- Acquired a Member donated Marina Vessel.
- Had a successful Marina Sale.
- Assisted with other Community Projects ie the Fire Pit and Barbecue/Fire Pit installations.
- We installed dock boxes.
- Welded zincs on sea walls.
- Gates were replaced for added security.
- Enough logs were removed from the basin to build a small city. So much!

This is by no means a complete list and we regret we've not talked about all our projects. Our thanks to your Cape George Board, Manager, Office staff, and ground staff. Finally a big thanks to all Cape George Members for your continued support for your Marina. Please see your Harbormaster or Marina Chair for more information.

NOMINATING COMMITTEE

1. We met in early April to create a list of possible candidates for the 2 openings for the Board of Trustees.
2. We divided up these lists among the 4 of us and called 72 members
3. We established a calendar of when events needed to be completed.
4. We had the 3 candidates submit their resumes.
5. We presented the remaining 2 candidates to the community before two board meeting.
6. We established lists of potential candidates to call for next year's elections.

POOL COMMITTEE

- A new clock was installed in the pool area.
- Deck and coping paint was finished.
- New signs for the Pool Rules, No Lifeguard on Duty, and No Diving were laminated and placed in the pool.
- The first community wide yard/garage sale sponsored on Sept. 29 by the pool committee and was successfully completed. \$608.55 was received from the various participants.
- The 2016 budget passed unanimously and included the long-awaited dehumidification system. A vendor has been chosen and the project is scheduled to start sometime in Sept.
- The St Patrick's fund-raiser was held in March and generated \$489.89 in profit for the pool committee.
- New faucets that lock and a bracket for hanging a short hose were installed in the changing rooms to help clean the floors.
- In May the pool was closed and successfully treated for "pink slime" algae.
- The pool committee chose a royal blue color for the new ducting system.
- The pool remains a tremendous asset for the community. Come join our Water Exercise Group at 9:00am on week days. And everyone is encouraged to use our wonderful pool.

Respectfully, Neil D'Acquisto, Chairman

ROADS COMMITTEE

Members: Art Burke – Manager; Ray Pierson – Board Liaison; Larry Southwick – Chair; and members Bob Holtz and Scott James.

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 business for the 2015 – 2016 year was as follows:

On-going Activity

Most of the Committee activity involves on-going review, inspection and approval of driveway permits and other permits related to roads and drainage in the community-owned rights-of-way. The Chair is required to sign off on driveway and earthwork permits to assure that Board-adopted rules and regulations are met. This is done in conjunction with the Building Committee.

The Committee inspects our roads and advises the Manager and Board regarding on-going maintenance and operation. 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 annual inspection and evaluation to insure their future service to our membership.

Pavement Repairs

We assist the Manager in identifying locations throughout Cape George that need pavement repairs. The Manager then solicits bids and we assist in selecting a contractor. This type of contract repair is done periodically as needed and budgeted. Typically, they are just small localized settlements or breaks in the pavement. We are seeing a couple areas that will need similar repairs but over a longer section of roadway with related higher costs. We didn't have a repair contract in this period but continue to monitor the roads for future repairs that may be needed.

Drainage Issues

The Committee also worked with the Manager on several drainage issues along our roadways this year. The culvert in the Colman ravine had a small opening with a trash grate to prevent debris from going into the culvert. The effect was occasional blockage of the grate during a storm which caused the water to overtop the inlet and wash out down the ravine. We replaced the small grate with a larger inlet and trash rack that should prevent blockage and overtopping water flow.

We worked with the Manager and property owners on Colman Place to install a new culvert along the street to keep the ditch from overflowing and causing damage to the downhill homes. We also addressed several drainage issues on Sunset Blvd. and downslope properties with the Manager.

SOCIAL CLUB

This year the Social Club has been busy. In addition to the usual potluck BBQs and the Salmon BBQ in July that fed 140, we held the Band on the Beach in August with a new stage for the band, supplied by the Social Club and built by Carl Schwersinske.

We continue to support the popular pickleball courts and contributed towards the new North Jetty park and the Cape George generator fund. Our Newcomers were welcomed by Jo Nieuwsma and the Social Club contributed towards their dinner at the "Outlaws Last Meal" dinner in October sponsored by the Environmental Committee.

We held the ever-popular Granny's Attic sale in April, raising almost \$2,500 for our treasury. Cape George University continues to be well-attended with presentations ranging from Sea Otters and Marine Mammals, Native Peoples of the Northwest, Preserving Summers Bounty, Sailing, Pink Smoke over the Vatican, and Political Reporting in addition to many others. Cape George has a wide range of interests and interesting speakers!

The Clubhouse restoration has been a major expenditure this year. Under the guidance of Ellen Ryan Color Consultations, we were able to choose colors and paint the interior for about \$650 thanks to volunteers. Then, we replaced the 8 sconces with simple, modern sconces for about \$435 and supplied the new shades for the interior windows for approximately \$4,820. Next on our list will be helping with updating the kitchen within the next few years.

We would like to thank those active members for their support and encourage everyone to get involved.

WATER COMMITTEE

Members: Art Burke – Manager; Karen Krug – Board Liaison; Greg Rae – Water System Manager; Larry Southwick – Chair; and members Thad Bickling, Scott James and Stewart Pugh

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. Meetings are typically held on the first Tuesday of each month at 5 pm at the Office. 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 July 2015 – June 2016 year were as follows:

WATER RIGHTS

After years of dispute with the Dept. of Ecology (DOE) and efforts by the Manager, Committee and legal advisor, we finally received a Certificate of Water Rights for the full 192 acre feet per year that we had planned and applied for. That will provide sufficient water for Cape George through complete build out.

CROSS CONNECTION CONTROL (BACKFLOW PREVENTION) PROGRAM

A cross connection is where water system plumbing is or may be connected directly to a potential contaminated source that could be drawn back into the water system under a decrease in pressure or backflow event. State law requires all water systems to implement and manage a cross connection control program and that was a key element in the approval of our Water System Plan (WSP) in 2014. We had to commit to implementing a program for Cape George.

The ordinary connections that require a backflow prevention assembly are irrigation systems and water boilers such as for radiant water heating systems. There are also small backflow prevention devices that are built into or can be added to exterior water faucets where hoses could be immersed in the sources of contamination such as hot tubs, ponds and other water uses such as washing cars or applying chemicals. Also, the drain side of a water softener must not be directly connected to the house sewer plumbing.

We mailed out letters to 47 home owners to require them to have their backflow assembly devices inspected. All were inspected and reported satisfactory. This is a mandatory on-going program with a significant annual workload for the Committee and staff.

ED SKOWYRA MEMORIAL WATER FACILITIES

We replaced the old electrical control system with a Programmable Logic Controller (PLC – a mini-computer) to operate the pumps in the pressure system at the top of the Highlands. We are now working on adding a flow data recorder to that system. We replaced the pump in Well #4 including a

well treatment to increase the capacity while the pump was removed. We replaced the last old electrical panel and the auto-dialer that notifies personnel when a system malfunctions.

WATER LEAKS

We had a water leak on Sunset that had a trickle of water coming out of the pavement. It was a leak at the copper to brass fitting at the saddle on the main line. We questioned whether that's an indicator of other potential leaks with those types of connections, particularly of the same age. It's possible that those fittings were installed with the original water line or perhaps before the paving was done. No conclusion but something to monitor.

We have an on-going leak reporting system that comes from the water meter reading software each month. One of the members then calls all of the homeowners that the report identifies with a leak or potential leak. That's an important element in our water conservation/efficiency efforts. One homeowner had a substantial leak that they found themselves and had it repaired.

EMERGENCY MANAGEMENT

Under current procedures, the Emergency Preparedness Committee is trained to respond to the tank farm and shut off all the water valves in the aftermath of an earthquake to prevent possibly draining the tanks due to water main breaks. We could then determine if there were breaks and control the amount of water we release or ration it. We have a portable water tank to go on the truck for water delivery if needed in such an emergency.

We are currently revising those procedures to shut down two of the water tanks to preserve water storage but to keep the water system pressurized instead of shutting it down completely. After reviewing the procedures in more detail, a complete shutdown actually introduces more potential for backflow conditions and potential contamination and it would then require a major effort to restart the system. By keeping the system pressurized, we reduce the potential for contamination and facilitate the inspection of the system to determine if we do have breaks or significant leaks following an earthquake. We are still working on the details for a revised emergency shutdown procedure.

The following are copied from previous Annual Reports and are still valid:

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.

WORKSHOP COMMITTEE

Major Accomplishments of the Workshop:

- Inventoried, organized and identified hardware e.g. nuts, bolts, screws etc. into designated areas.
- Repaired/reworked workbenches with new upper sections. Reinstalled workbench tools.
- Organized workshop attic.
- Marked items belonging to the workshop with identifying paint.
- Installed new workbench.
- Organized stockpiles.
- Sorted and transported recyclable metal materials to designated county area.
- Painted doors both front and back to the workshop.
- Started fund raising for purchase of community generator.
- Purchased tools that have been broken throughout the year.