

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JANUARY 10, 2013  
7:00 PM

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

- A. Welcome
- B. Update on reserve funding issues to be discussed during Open Discussion

**In Attendance:** Richard Hilfer, John Hanks, Carol Wood, Mike Smith, Ross Anderson. Penny Jensen was absent.

**Action on Minutes:** Carol Wood moved and John Hanks seconded to approve the Special Membership Meeting minutes from December 11, 2012. Passed 4/0. Carol Wood moved and John Hanks seconded to approve the Regular Board Meeting minutes from December 13, 2012. Passed 4/0.

**Membership Report:** Carol Wood

- Dan & Shelley Fye purchased 225 San Juan Drive from Mary Ann Besel
- William Pfefferkuch & Rebecca Folz purchased 191 Colman Drive from the Gordon & Elizabeth Tandy Trust

**Treasurer's Report:** Richard Hilfer presented the report which was prepared by Karen Krug, Finance Committee Chair

**TREASURER'S REPORT  
As of December 31, 2012**

***BASED ON PRELIMINARY STATEMENTS - SUBJECT TO CHANGE ON FINAL CLOSE***

<b>1</b>	Total cash and investments at month end were	<b>\$705,895</b>
	That amount is comprised of	
	General checking of	<b>96,031</b>
	General savings of	<b>31,496</b>
	Two petty cash accounts of	<b>600</b>
	and CDs and Money Markets totaling	<b>577,768</b>

**The increase in operating cash, especially general checking, is due to the early receipt of 2013 assessments, fees and special assessment payments. Early receipts total \$114,242. All appropriate interest has been accrued through December 31 and reserve transactions have been reconciled.**

<b>2</b>	The CDs and Money Markets are primarily Reserve accounts and include:	
	General Reserves	<b>\$125,148</b>
	Special Assessment	<b>147,982</b>

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Water Reserves	200,053
Marina Reserves	104,585

No new financial accounts have been opened since last month.

**All 2012 Board transfer resolutions, except for the year-end recharacterization, have been reflected in the reserve balances; this includes interest income on the reserves of \$2,013**

3 Regular accounts receivables, net of allowances are	\$4,693
Receivables over 90 days, net of allowances are	4,181

**Only six accounts comprise the majority of the receivables over 90 days and are considered to be uncollectible. As of December 31, the Allowance for Doubtful Accounts was \$11,016.**

The Special Assessment Receivable outstanding is	\$142,302
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**As of December 31, there was \$2,966 in delinquent Special Assessment payments. Included in the early receipts mentioned above was \$28,342 for the Special Assessment.**

- 4 Year-to-date total net Revenue and Expenses (Net Income) of \$71,103 is favorable when compared to the original budget.

By cost center the variances are:

General operations ended the year at \$16,755 or \$7,120 ahead of budget

Water operations ended the year at \$39,855 or \$10,251 behind budget

Marina operations ended the year at \$12,480 or \$9,902 ahead of budget

Reserve interest income was \$2,013. This income was not budgeted for in 2012

**The favorable performance in General Operations is largely the result of pool utilities which were \$12,700 under budget. General bad debts of \$4,097 exceed budget by about \$1,400. Contract services and insurance each exceeded budget by about \$3,000 a variance mitigated by the favorable \$6,000 variance in repairs.**

**Water operations did not perform up to budget expectations due mostly to higher than budgeted expenses for the water system plan, accounting services, taxes and higher bad debts. Marina operations far out-paced its original budget due almost entirely to the decision not to proceed with the harvest by-pass pit in 2012.**

In the absence of the Treasurer, prepared by the Finance Committee Chair.

01/10/13

PRELIMINARY SUBJECT TO CHANGE

As of 12/13/12

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**Manager's Report:** Arthur Burke

Work is continuing on assessing the damages caused to the community Workshop during the December 17<sup>th</sup> flood. A claim has been made through our National Flood Insurance Program policy and a claim adjuster assigned to our case. The adjuster has made a site visit and was very impressed with the detailed documentation provided by the team headed up by Penny Jensen. Thanks to Penny and her team! This documentation included a listing of the tools and equipment impacted by the flood, their date of purchase, repair and/or replacement cost, and photographs. We have also received a preliminary estimate on building damages from a local contractor. During the site visit the adjuster noted that structural damage had occurred to the building. The adjuster has requested a structural engineer inspect the building to determine the extent and cause of the settling.

I would like to applaud the efforts of all of the community volunteers that showed up to lend a hand during the flood. All it took was a phone call and you arrived with tools, equipment and helping hands to assist with protecting and cleaning up the Workshop and surrounding areas. It was a cold, wet and windy day to be on the shoreline, but that didn't stop you from being there when we needed you. This is the community spirit that Cape George is famous for and what makes it a great place to be. THANKS!

I would also like to thank the continuing efforts of members involved with further enhancing the log bulk heading project along the shoreline. These folks are down there working in some pretty rugged conditions moving logs and positioning them along the shoreline to provide a buffer against the energy of the waves. We have another series of high tides coming up in mid-January that if accompanied by high winds out of the west/northwest could cause more flooding and shoreline erosion. The efforts of these soft armoring projects are our only short term defense. THANKS!

Office Assistant Sharon Mitchel is doing a great job of further refining the operations of the front office. In recent weeks she has corrected a number of problems associated with our water meter recording system, setup our email blasts to run according to preset times, dug into our electronic lock program to work out some of the bugs that have been occurring and generally making everything run smoothly. It is good to have her on board.

A number of projects are underway at the tank farm, including:

- The starter on pump #4 was determined to be severely corroded and will need to be replaced. A "soft starter" will be used to replace the original.
- The Highlands Pump #2 has been running a little rough so Donnie and Water Manager Greg Rae are going to be rebuilding it in the next week.

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

- Exterior lighting complaint in the Colony.
- Complaint of non-resident trespassing on Cape George property in the Highlands.

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- Report of dogs running loose in the Village.
- Hedge complaint in the Colony.
- Report of unlicensed vehicle (go cart) being driven on community roads.

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Building, Environmental, Finance, Pool, and Water. The reports are attached to these minutes and incorporated by reference.

**Information Items:**

- A. The Trustees directed the Manager to draft an article for the February newsletter related to keeping of poultry in areas of the community where it is currently prohibited. The article will ask for member comment to be presented to the Trustees at the February Study Session.
- B. The Trustees directed the Manager to pursue obtaining information from shoreline engineering firms regarding their availability and approximate cost of service for developing a plan to control erosion along the community's shoreline.
- C. The Trustees directed the Manager to pursue contracting with Bernt Erickson Excavating to secure log bulkheads between pavilion and the workshop area. Art Burke indicated work will start tomorrow beginning with anchors between the barbecue and new berm.

**Member participation:**

Mike Smith introduced member Brian Cullen who works with the US Navy on shoreline restoration. Brian shared his experiences working on shoreline situations similar to ours. He indicated there have been many changes in shoreline management over the last ten years. Some log revetments he's seen installed have had negative outcomes. He recommends working with a shoreline engineering firm to first develop a plan for our specific location before moving forward. Permits and liability were also discussed.

A member requested that sandbags around the Fitness Room be removed when not needed. They are making it difficult to safely enter the Fitness Room.

**New business agenda items:**

**Motion 1:** Mike Smith moved and Ross Anderson seconded to appoint Ray Pierson to the position of Trustee to complete the term of John Garrett. Passed 4/0. Ray joined the Board at this point in the meeting.

**Motion 2:** Ross Anderson moved and Mike Smith seconded to appoint Steve Mitchel and Bill Deckman to the Building Committee. Passed 5/0

**Motion 3:** Carol Wood moved and Mike Smith seconded to approve the rollover of \$69,090 of revenue in excess of expenditures. Passed 5/0

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**Motion 4:** John Hanks moved and Ray Pierson seconded to approve three member requests for due date adjustments. Passed 5/0

**Motion 5:** Carol Wood moved and Ray Pierson seconded to authorize the manager to review the terms of Coastal Geologic Services, Inc.'s Scope of Work and Cost Proposal with Jim Johannessen and arrange for execution of a contract for services specified. Passed 5/0

**Motion 6:** John Hanks moved and Ross Anderson seconded to authorize the Manager to proceed with the plan to anchor logs from the midsection of the clubhouse to the barbecue pit area. Defeated 2/3.

**Motion 7:** Richard Hilfer moved and John Hanks seconded to appoint Mike Smith as Treasurer. Passed 5/0

**Open Board Discussion:**

Richard Hilfer reported on the Reserve Sub-Committee meeting and recommendations for proceeding with obtaining input from members, providing for meetings to address issues and questions, and placing the Reserve Assessment before the membership for vote.

Carol Wood addressed a concern that apparently at the end of 2012 CGC had an end of year cash deficient. Karen Krug, Finance Committee, explained some of the extensive forensic that has been done on this issue. With change of managers, bookkeepers, accountants and Board members over time, funds were rolled into reserves in error. As a result, the operating funds are understated and the Reserves are overstated. Discussion on this issue will continue.

**Announcements:**

- A. Study Session – February 12, 2013, 3:00 p.m.
- B. Board Meeting – February 14, 2013, 7:00 p.m.

**Motion 8:** John Hanks moved and Mike Smith seconded to adjourn the Regular Board Meeting at 9:00. Passed 5/0.

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Carol Wood, Secretary

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Richard Hilfer, President

**COMMITTEE REPORTS**

**Environmental Committee  
January 7, 2013**

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1. Kitty Rucker, Chair, called the meeting to order at 9:00 AM. Members in attendance were Tony Patrillo, Mac McDonald, Dean Shin, Jim Fling, Ann Candioto, Norma Lupkes, Kitty Rucker, Gretchen Cooper, John Hanks, Pat Hartman, Betty Hanks, Robin Scherting, and Art Burke
2. The minutes of the Dec. 10, 2012 meeting were approved with minor clerical changes sent to Kitty.
3. Financial Report – There is \$1,502,25 in the Environmental Checking Account. There was discussion concerning a bill for equipment ordered to move logs that was denied because of not following proper chain-of-command procedures when requesting payment. We must have the bill submitted by the Chairperson of the Marina Committee or from the Harbor Master. Neither one approved of the purchase.
4. Old and New Business:
  - A. Report of what has been done to the beach – Kitty – Kitty was called about the flooding conditions at 7 A.M. Within a very short time after receiving a call from Kitty, about 40+ Cape George members showed up to help save our beach area, shop and building housing the club house, fitness room, and swimming pool. It is estimated that there is about \$17,000 damage to the equipment in the shop and \$65,000 to the shop building. There is a \$5,000 insurance deductible for each category. We have a lot of damage, which is going to require a lot of maintenance work and repair of the total area.
  - B. A lot of work needs to be completed on the beach area extending north from the jetty to area south of the gazebo to the bluff area. There was a long discussion as what to do, how to do it, and who would do what. It was agreed that the Environmental Committee would send a motion to the Board with their recommendations, and to be presented at the Study Session, Tuesday, January 8, at 3:00 PM.

Motion to Board of Trustees.

Attn: Board of Trustees

For the last few years, the Environmental Committee has been working with the Marina Committee to prepare for possible flooding of our buildings on the beach. Bill McFarland has, in the past, gathered logs and tied them to supports on the beach. This year we have dedicated our efforts to making a more permanent barrier to flooding. We met with representatives of the Marina Committee, the Exercise Room Committee, the Pool Committee, and the Social committee. With them we have arranged to have metal cable donated to anchor the logs and have begun planting sea grass on the berm to see what holds the soil the best. When our beach was flooded during the last “King Tide” we called volunteers to help with the cleanup and helped during the crisis.

We understand from Art Burke, that the Board will be discussing this problem at your meeting tomorrow. At our monthly meeting today we met with community members and Marina workers and came

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up with a motion to present to you regarding what should be done to prevent further devastation.. The motion to the Board is below.

The Environmental Committee unanimously made a motion to the Board that it should approve the hiring of a marine engineering firm to study our buildings and beach to determine what plan we should follow that would prevent further erosion and flooding of our common buildings at the beach. We request a long term plan that will buffer the area in front of the buildings, and also a short term plan that will allow us to continue, in the most effective way, to extend our berm and buffer the beach with logs. It is our suggesting that the beach from the opening to the marina to the end of the beach near the playground area should be involved. We also suggest starting at the area in front of the building and than working out in both directions from that area. We have volunteers who are willing to do much of the work, but we will need expert direction and further funds to accomplish this. We also suggest that the Board approve funds to repair the broken culvert beneath the houses on Victoria Loop.

- C. It is strongly recommended that repairs begin immediately to the beach area. Jim Barr has donated wire and Mike Heckinger has donated staples that will be invaluable in beginning the log placement process.
  - D. Tony Patrillo has been in contact with the N. W. Straits Commission and well be attending their next meeting and will be reporting back to the Environmental Committee.
  - E. Several members strongly recommended that we look at the total problem and develop a plan that will encompass not only what needs to be done short term, but will take into consideration long term effects and what and how to do them in a timely and cost effective manner.
5. Gretchen Cooper will stand in for Kitty while she is gone during the month of January and February. She will approve all financial requests and has a list of volunteers should they be needed for any unexpected flooding damage.
  6. Art reported that he has not heard back from the State experts.
  7. It was moved and seconded that the Environmental Committee donate \$100 to the Eleanor Stopps Memorial that will be placed at the Marine Science Center
  8. There will be no meeting in February.
  9. The meeting was adjourned

Robin Scherting reporting  
Additions by Kitty Rucker

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**Finance Committee  
December 17, 2012**

Finance Committee held its regular monthly meeting on Monday, December 17, 2012, 9:30 am in the upstairs Conference Room at the Office. Present were B. Barnhart; J. Harrington; and K. Krug. *NOTE: Attendance was impacted by weather related demands so several agenda items were postponed until January meeting.*

1. Updates
  - a. Finance related topics – a brief overview of December Board actions having financial implications was provided
  - b. Previous open financial statement issues – see items in November financials and Year-end preparation
  - c. Seawall Project Financial Summary
    - i. \$2,070 receipt inconsistency needs to be resolved prior to year end.
    - ii. Oct and Nov transfer have not been made
2. November financials
  - a. Responses from Manager and Bookkeeper attached
  - b. Addition discussion included:
    - i. 7/1/12 deposit-in-transit (DIP) - \$3,354 (Peninsula MM) – 5 months on cash recap. Note should be corrected or fully explained.
    - ii. 10/31/ 12 deposit-in-transit – main checking account deposits should not be uncleared for 30 days
    - iii. DIPs Kitsap Bank money market – there are 2 resolution transfers and 2 DIPs listed in that account. Note should be corrected or fully explained.
    - iv. **Cash issues should be fully resolved prior to year end since cash is always a primary audit focus. For good internal control, someone without signature authority on any account and with no entry access to the ledger should verify all account statements on a monthly basis.**
  - c. There were several other minor observations made related to November financials:
    - i. Back-dated entry(or entries) causing lost audit trails, minor amounts;
    - ii. Lack of interest income accruals for Oct. and Nov.; and
    - iii. Flood insurance decrement should start in Dec. – likely all charged to General
3. Depreciation schedule – 2012 update
  - a. Brief update on final consolidation process to occur in January or February. This will combine the myriad of ledger accounts to more closely conform to the audit presentation. Doing so will streamline future update and reconciliation processes.
4. **Cash flow reconstruction – discussion postponed**
5. 2012 Audit Preparation
  - a. Updated list of close and budget prep items attached
6. Other business
  - a. **Bad debt actions after a Chapter 7 - discussion postponed**
  - b. Input of 2013 Budget (see Close and Budget Prep list attached)
  - c. The amount of training still needed from Clarity related to journal entries and statement preparation was questioned:
    - i. Journal entries require little training.
    - ii. No true PBC schedules requested, so audit prep should be limited;
    - iii. FYE soft-close and hard-close are atypical events so training activity recommended; and
    - iv. Budget entry is another area where Clarity's training assistance would be useful. (See also #5a above)
  - d. Recruitment of new members –
    - i. Process and required outlined

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- ii. Notices will appear in next two newsletters
- e. INFORMATIONAL ITEMS
  - i. As of 12/17/12, J. Vermillion (new bookkeeper) has completed reconciliation and adjustment of prepaid account – thorough and detailed work with very good documentation – resulted in \$2,000 in adjustments some from Sept. 2011.
  - ii. Also as of 12/17/12, she has:
    - 1. Completed reconciliation and adjustment of Marina waiting list account;
    - 2. Established a new prepaid account to properly recognize early payment of Marina moorage and other fees; and
    - 3. Completed the separation of guest and regular ramp fees.

**W-I-P (work-in-process; ongoing projects)**

- ( I) Modification to FIN02; FIN04; and FIN08 – new RCW for HOA reserves
- (II) Cash flow schedule – forensic reconstruction – see #4 above

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**Pool Committee**  
**January 4, 2013**

**ATTENDEES:** Rocky D'Acquisto, Chair, Art Burke, Norma Lupkes, Robin Scherting, Leanne Ryan

**NOTES:** The issue of the pool area temperatures being cooler than in the past has been raised by several individuals. The addition of the louvered 24" industrial fan in the window of the room connected to the pool has been identified as the reason the air temperature is lower. Adjustments continue to be made to address the difference between the air and water temperatures. The existing air vents into the dressing rooms had been opened and appeared to contribute to "colder" temperatures in those rooms. Peninsula Heating has identified and repaired a water circulating valve which had malfunctioned and a probe placed into the room to help with the temperature. Another solution was Donnie has caulked the cracks between the logs to eliminate outside air from coming directly into the rooms.

In Jim's absence there was no update on the current situation with the pool ducting for the HVAC/humidity issue. Rocky and Art will look into a couple more vendors that were identified and options on how to proceed with the project.

A member reported that one of the side doors was propped open when she entered the pool on New Year's day. She closed it and did not find any evidence of "partying" as has been the case in the past.

The windows in the pool area continue to be worked on: the metal around them has been removed and replaced and painting has been completed. Formica is being installed on the bottom flat surface - two of them have been completed to identify if the sealant is the correct one for this humid environment.

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**Cape George Water Advisory Committee  
January 8, 2013**

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

1. Water rights and Water System Plan (WSP) – Art has been in touch with Bill Clarke, attorney for negotiations with DOE on water rights. Bill is waiting for the latest version of the WSP to provide it to DOE. Bob Leach, NTI (consultant on the WSP) has everything complete except the cross connection control program that will be in a separate appendix section. That should allow Bob to provide a digital copy of the WSP (without the cross connection appendix) to Bill soon so he can get it to DOE. Then DOE can determine if we've provided enough information or, if more is needed, we need to ask for an extension of the agreement.

Ed said we also need to find out if Bob can submit the WSP to the Dept. of Health 'as is' and let the cross connection appendix follow when it's completed.

2. Ed recently had a washing machine hose split in the middle of the night and suggested we put information in the newsletter to advise people to periodically replace old appliance hoses because they can leak or burst as his did causing a lot of water damage. That led to discussion about a special washing machine hose that has an automatic shutoff which senses an excess flow such as a burst hose and shuts off the water. (**See page 2 for an example**). We could add other water tips such as, people should know where and how to shut off their water supply in case of a major break or leak. Stew also suggested advice to people that are gone for extended periods to shut off their water softener because it continues to use water when they are gone. He sees that on the water meter reads where empty houses continue to show water use.
3. Greg said that he and Donnie are doing some substantial electrical and mechanical repairs on pumps and motors at the well site. The electrician recommended that we add a 'soft' motor starter that reduces wear and tear on the pump motors.
4. Greg said he was having some issues with year-end meter reads as they relate to his 'unaccounted for' water use report. Stew is working with Sharon to get better data out of the meter reading systems (3 different programs from different vendors that don't work well together). The representative from Badger Meters was here for several hours this afternoon assisting Sharon with the system. Stew will try to make it easier to get just the data that we need into a spreadsheet.

The next meeting will be on **February 5, 2013 at 5 pm at the Office.**

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**WATTS FLOODSAFE AUTO SHUT OFF WASHING MACHINE CONNECTORS**

**2 60" HOSES**

**MODEL # FS2W60**

**3/4" FEMALE HOSE X 60"**

**PRODUCT FEATURES:**

- includes 2 standard braided, stainless steel flexible hoses
- floodsafe
- For use in residential and commercial applications
- 60"
- 3/4 x 3/4
- Pkg of 2

**PRODUCT DESCRIPTION:**

The patented design of this connector protects against catastrophic water damage caused by burst, broken or ruptured water supply hoses and fittings. It automatically shuts off the water supply to plumbing fixtures/appliances if excess water flow is sensed, and will remain in the closed position until it is reset. The shutoff valve is located on the inlet end of the supply line, and there are no mechanical moving parts which mean no power required for installation.

**US \$15.95**

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

- A. Welcome
- B. An Executive Session is planned at the end of the meeting to discuss legal issues.

**In Attendance:** Richard Hilfer, John Hanks, Carol Wood, Mike Smith, Ross Anderson and Penny Jensen.  
Ray Pierson was absent.

**Action on Minutes:** Carol Wood moved and John Hanks seconded to approve the January 10, 2013 minutes. Passed 5/0

**Membership Report:** Carol Wood reported the following membership changes

- FNMA (Federal National Mortgage Association) assumed ownership of 241 Colman Drive from Fernando and Patricia Conill
- HUD assumed ownership of 150 Hemlock Tony and Heather Polizzi
- Linda Schwartz and Julie Gertler purchased 320 Sunset from the Langdon Family Trust
- Thomas and Helga Rice purchased 341 Sunset and lot 30-2 Sunset from Michael Deveneau

**Treasurer's Report:** Mike Smith

**TREASURER'S REPORT  
As of January 31, 2013**

<b>1</b>	Total cash and investments at month end were	<b>\$842,444</b>
	That amount is comprised of	
	General checking of	<b>180,837</b>
	General savings of	<b>31,496</b>
	Two petty cash accounts of	<b>600</b>
	and CDs and Money Markets totaling	<b>629,510</b>

<p><b>The increase in the General checking account is due to the receipt of the first 2013 trimesterly assessments, fees and special assessment payments. All reserve related transactions have been appropriately reflected in the ledger. All bank accounts have been reconciled.</b></p>
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- 2 The CDs and Money Markets are primarily Reserve accounts and include:

General Reserves	\$125,149
Special Assessment	199,722
Water Reserves	200,054
Marina Reserves	104,585

No new financial accounts have been opened since last month.

**The 2012 recharacterization or "year-end roll-over" has not yet taken place and will likely wait until completion of the 2012 audit.**

- 3 Regular accounts receivables, net of allowances are \$23,316  
 Receivables over 90 days, net of allowances are 3,129

**Although receivables appear very high this month, it is the typical pattern experienced at each of the trimesters - January, May and September.**

The Special Assessment Receivable outstanding is \$81,474

**As of January 31, there was \$7,024 in delinquent Special Assessment payments. As with regular receivables, that amount would be expected to decrease next month.**

- 4 Year-to-date total net Revenue and Expenses (Net Income) of \$163,912 is favorable when compared to the original budget.

By cost center the results and associated variances are:

- General operations for the month are \$69,358 or \$1,981 ahead of budget.
- Water operations for the month are \$49,544 or \$1,491 ahead of budget.
- Marina operations for the month are \$44,976 or \$13,865 ahead of budget.
- Reserve interest income was \$34. This income was not budgeted in 2013.

**It is much too early in the year to comment on operations but things do appear to be tracking with budgeted expectations.**

**Marina income is worthy of note as collections in the first month of the fiscal year are nearly 30% higher than they have been in the past. This reflects positively on the efforts of all those individuals working to streamline marina accounts.**

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**Manager's Report:** Art Burke

I attended a Community Association Institute workshop on the subject of insurance obligations during the repair of older buildings.

I was the guest speaker at the Jefferson County Realtors Association monthly meeting. The presentation was on Cape George including, amenities, fees and charges, rules, etc.

I met with Project Manager Darren Habel from the Army Corp of Engineer and three other members of the Seawall Task Force. The meeting was a preliminary site visit to gather information for the pending permit. Follow up information has been requested by ACE and we are working on providing.

I attended a Critical Areas and Buffer Management Workshop conducted by the Washington University Extension Office. Much of the information presented had correlation to what we are experiencing on our bluffs. It was interesting to see how many private land owners are looking for answers to the issues they are facing by living on the edge of different natural environments.

Karen Krug, Mike Smith, Joanne Vermilion and I met onsite with representatives from Cagianut & Company to continue the process of conducting the 2012 audit. We have been preparing and providing information since approximately November. Requests for follow up information are beginning to come in and we are working at providing answers to their inquiries. Some of the initial comments from the auditor have been that they are very impressed with the level of organization and attention to detail in providing information. From our perspective we are also very impressed with the level of professionalism and conscientiousness of how they are performing the work of auditing our 2012 finances.

Office Assistant Sharon Mitchel participated in an online training session presented by TOPS on Flex Data. This information tracking tool will allow her to enter member data not currently maintained in the TOPS system. Sharon has also been developing a detailed operations manual for our water system management software. To accomplish this she has been working with the meter vendor, Water Manager Greg Rae and Water Committee member Stewart Pugh (Thanks Stew!) to revise and improve past practices. The outcome from this process will be improved data integrity. And finally, a great deal of time has been spent on receiving and processing marina registrations for the year with the assistance of Harbormaster Mac McDonald.

We are continuing to work with our adjuster on the claim filed as a result of the December 17<sup>th</sup> flood at the Workshop. A report has been filed on the loss of equipment, flood cleanup and building repairs. A structural engineer has been called to evaluate additional damage to the building as a result of the flood and may lead to a supplemental claim being filed.

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

- Exterior lighting complaint in the Village and Colony.

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- Report of construction project not completed in the Village.
- Report of suspicious person in the Highlands.

**Committee Reports:**

The following committee reports were submitted to the Board of Trustees: Finance, Marina, Pool, Property Maintenance and Water. The reports are attached to these minutes and incorporated by reference.

**Information Items:**

- A. The Trustees requested the Manager place the shoreline erosion issue on next month's Study Session Agenda for further updates.
- B. The Trustees requested the Manager place the Workshop flood insurance claim on next month's Study Session agenda for further updates.
- C. The Trustees will be providing individual comment for revision of the draft Property Maintenance Rule submitted by the Property Maintenance Committee.
- D. The Trustees accepted the proposal of the Social Club to take on the task of hosting the Annual Salmon Barbecue on July 21, 2013.

**Member Participation:**

There was no member participation at this time.

**New Business Action Items:**

**Motion 1:** Penny Jensen moved, Mike Smith seconded, to approve the expenditure not to exceed \$3000 for the purchase of a replacement elliptical machine for the fitness room with funds to come from the General Reserves. Passed 5/0

**Motion 2:** John Hanks made and Carol Wood seconded a motion to waive fines related to a violation of Building and Property Regulation concerning passing deadline for construction of residence in the Highlands.

After discussion with the member, Mike Smith moved and Ross Anderson seconded, to amend the original motion to include waiver of the fines for a maximum of six months. Passed 4/0 with 1 abstention.

The motion as amended was then voted on and passed 4/0 with 1 abstention.

**Motion 3:** Carol Wood moved and Penny Jensen seconded to extend the occupancy permit deadline for residence under construction in the Colony to April 1, 2013. Passed 5/0

**Motion 4:** Mike Smith moved John Hanks seconded to follow the Finance Committee recommendation that future tax returns be filed following the advice and recommendation of Cagianut & Company and prior year's returns stand as filed. Passed 4/0, 1 abstention.

**Motion 5:** John Hanks moved, Carol wood seconded, to uphold Cape George Rule PP01 Livestock and Pets as it relates to the keeping of poultry in the Colony and Village. Passed 5/0.

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**Motion 6:** John Hanks moved, Mike Smith seconded, to approved the revised Committee Board Liaison list and appoint Trustee Ray Pierson as liaison to the Emergency Preparedness Committee. Passed 5/0.

**Motion 7:** Penny Jensen moved, John Hanks seconded to approve five member requests for due date adjustments. Passed 5/0

**Motion 8:** Mike Smith moved, Penny Jensen seconded, to confirm that Cape George Colony Club has the following accounts at the following financial institutions at the present time:

**Kitsap Bank**

XXXXXX1818 – Money Market Account  
XXXXXX6419 – Money Market Account  
XXXXXX9111 – Checking Account

**Peninsula Credit Union**

XXXXXX8414:  
    Master Account  
    Savings Account  
    Certificate 5 – 9 Month CD  
    Certificate 6 – 18 Month CD  
    Certificate 7 – 12 Month CD  
    Certificate 8 – 18 month CD

Passed 5/0

**Open Board Discussion**

The Trustees discussed the Reserve Assessment Questionnaire results and comments received from members. The Trustees acknowledged that Members want more information on potential actual annual costs vs. percentages of funding before making decisions. The Trustees asked Manager, Art Burke to look into whether or not the reserving software we're using can create multiple cost comparison scenarios for presentation to the Members. The Trustees' Reserve Subcommittee will propose the next steps, which may include community meeting(s), educational forum(s), small group discussions and a presentation by Jim Talaga, an HOA Reserve Consultant.

Announcements:

- A. Study Session – March 12, 2013, 3:00 P.M.
- B. Board Meeting – March 14, 2013, 7:00 P.M.

**Motion 9:** Ross Anderson moved, Mike Smith seconded, to adjourn to Executive Session at 7:55 p.m. for the purpose of discussing legal matters. Passed 5/0

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**Motion 10:** Ross Anderson moved, John Hanks seconded, to return from the Executive Session to the Regular Board Meeting at 8:15 P.M. Passed 5/0

**Adjournment**

**Motion 11:** Ross Anderson moved, seconded by Mike Smith, to adjourn the Regular Board Meeting at 8:20 P.M. Passed 5/0

Submitted by:

Approved by:

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Carol Wood, Secretary

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Richard Hilfer, President

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COMMITTEE REPORTS

**Finance Committee Notes  
January 2013 Meeting**

Finance Committee held its regular monthly meeting on Monday, January, 21, 2011, 9:30am in the upstairs Conference Room at the Office. Present were B. Barnhart; J. Harrington; G. Semick (via phone) and K. Krug. Also present were A. Burke, Manager and M. Smith, Treasurer

**1. Updates**

- a. Finance related topics – a brief overview of January Board actions having financial implications was provided.
- b. Seawall Project Financial Summary – a summary, current through the Dec. V2 run, was emailed on 01/14/13. It was noted there is still a minor apparent overage in the accounts. Otherwise there were no comments on the document.
- c. Prior open financial issues
  - i. The issue related to the very old “Legal AR” was discussed, with clarification sought as to whether the amount was awarded in a judgment or not.
  - ii. The discussion also reiterated FINCOM’s prior request for details surrounding non-expired judgments currently held by the Corporation. The Manager stated he was scheduled to meet with the legal counsel on 01/23/13 and judgments were a topic.

**2. December financials**

- a. Two versions of December year end final have been prepared to date.
  - i. V1 (emailed 01/06/13) and V2 (emailed 01/20/13).
    1. Responses to the first set of FINCOM Observations had been provided via email on 01/11/13.
    2. A summary of the changes from V1 to V2 was provided on the email of 01/14/13.
- b. V2 was used to compile the 2012 recharacterization amount. With the exception of the previously Board approved depreciation entries and potential entries arising from the audit, the Board results of the Revenue and Expense statement should not change from V2.
  1. Most of the outstanding 2012 cash issues were corrected between V1 and V2.
  - ii. There are still several balance sheet related changes and the depreciation entry that need to be reflected prior to producing a third and final set of statements. The known remaining issues to be resolved were summarized on the email of 01/18/13.
  - iii. A question was raised regarding preparing the actual recharacterization entry since it has now been Board approved.
    1. The formal entry expects a true fund accounting set of companies making reflection in our non-conforming books unusual.
    2. Transferring the cash is a separate entry from the recognition of the recharacterization.
      - a. Both entries could be reflected in December, with appropriate Due To/Due From entries; or
      - b. The cash transfer could be reflected in January activities; or

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- c. The cash entry could wait until completion of the audit in late-March.
  - iv. Year-end process – The schedule for completing final 2012 activities was questioned. The Manager did not yet have updated information.
- 3. Bad debt actions post-bankruptcy**
- a. The Manager requested suggestions on process for post-bankruptcy bad debts.
  - b. An excellent summary of the practical elements of various bankruptcy filings and available actions thereafter was provided by a member of FINCOM and the Treasurer.
  - c. The new version of FIN03 covers options available to the Manager.
- 4. Cash flow reconstruction**
- a. Primary material emailed 01/07/12.
    - i. Numeric update for V2 emailed 01/14/13.
    - ii. 2012 year end cash deficit is approximately \$116,000.
    - iii. Net errors of \$88,283 (occurring since 2006) have been identified.
    - iv. Correcting these errors will have major impact existing reserves and should not be done without ample notice and disclosure.
  - b. FINCOM is recommending the Board correct errors identified to date and not pursue the matter beyond 2006(current detailed reconstruction). The formal recommendation will be submitted to the Board after the February FINCOM meeting.
- 5. 2012 Audit Preparation**
- a. A memo to C&C regarding clarification of federal tax matters – revenue items that are and are not considered “taxable” was emailed on 01/07/13. Updates to that memo were emailed on 1/20/13 and also distributed at the meeting.
  - b. Discussion ensued regarding preparation of expense allocation schedules necessary for each revenue item deemed “taxable.”
    - i. Such schedules can be detailed and specific, i.e. identification of actual labor and materials necessary to produce the revenue or they can be more global, based on pro-rata allocations.
    - ii. Each method has pros and cons. Consistency on a go-forward basis should be considered as well as difficulty in preparing supporting documentation.
    - iii. Unlike prior preparer, C&C, appropriately, will not prepare the expense allocation schedules to support reduction of taxable income.
  - c. C&C had also asked whether prior tax returns should be amended for alternate treatment of various items. After considerable discussion it was decided that FINCOM would recommend to the Board that alternate treatments be used on a go-forward basis with prior years remaining as filed. There were numerous reasons cited for this recommendation.

The next meeting is scheduled for Monday, February 18, 2012. Since the date of the meeting falls on a CGCC holiday the Office will be closed. As a result the meeting will be held at the Clubhouse.

**W-I-P (work-in-process; ongoing projects)**

- (I) Modification to FIN02; FIN04; and FIN08 – new RCW for HOA reserves
- (II) Final modifications to asset accounts to streamline presentation and maintenance

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**Marina Committee  
February 5, 2013**

Attendees: Mac McDonald, John Hanks, Penny Jensen, Ross Anderson, Bob Schlentner, Ken Owen, and Paul Happel.

Harbor Master, Mac McDonald, called the meeting to order at 11:00 am. Mac reported that out of the 74 total slips available 60 slips are rented so far for 2013. Available slips for rent are 3 economy slips, 6 slips for 24' - 27' boats and 5 slips for boats less than 24 feet in length. There is a \$90 fee per year for Cape George members to use the launch ramp. Members can also purchase rampage on a daily basis at the rate of \$8 per day. There is a possibility that keys are being duplicated and the marina is not receiving the full fee revenue for the year from boaters. Mac is in the process of assigning slips to new slip holders. Two kayaks have not been identified as to ownership. Each kayak is required to have the name of the person renting the kayak rack space and a current telephone number. Mac affixed Cape George stickers to all of the boat trailers who have paid for the year 2013. Penny Jensen is restoring and painting the "Old Salt" wooden statue which was in dire need of restoration. Penny also contacted the insurer pertaining to the funding Cape George will receive from the flood damage to the shop and other areas around the club house. Other happenings at the marina included taking down the flag pole for repair and repainting. Volunteers are fabricating stanchions for new life rings at the Cape George Shop and should be ready soon. The meeting adjourned at 11:45 am.

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**Pool Committee Meeting Notes**  
**Feb 5, 2013**

**ATTENDEES:** Art Burke, Rocky D'Acquisto (Chair), Norma Lupkes, Jim Fling, and Penny Jensen

Addressing the HVAC/humidity issue Rocky has contacted a different consultant/contractor that was involved in the PT pool remodel project. His name is Kevin Johnston of KJ Consultants and is based in Pullman. He is sending a PDF file to Rocky explaining the comprehensive analysis of what would be covered in a site visit for our ongoing humidity project.

As a result of the recent issues with the pool area being too cold the new large fan which was installed in the window is not being currently being used. It was also determined to not be cost effective for heating. The old "noisy" fan is back in service and hopefully a better solution can be found as a result of the analysis of exactly what needs to happen for the humidity issue.

The random sampling of the pool usage logs has not been done yet. January is a very busy month for the office and it will be scheduled sometime this month.

The plastic cabinet which holds the supplies for the aerobics classes is in need of cleaning out and possible replacement with a cabinet which can be securely locked. A new lock has been purchased but will be placed on a different cabinet. Norma volunteered to clean it out and Rocky will look into replacement possibilities.

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**Property Maintenance Committee  
January 15, 2013**

1. The meeting was called to order at 4:00 PM. Members attending were Norma Lupkes, Laurie Owen, Ross Anderson and Art Burke. The December meeting was cancelled—no minutes to be approved.
  
2. It was suggested at the November meeting that PP02 Property Maintenance be revised. Art prepared a revised draft of this rule and it was e-mailed to committee members for their review and comment. Review and discussion of this draft of PP02 Property Maintenance prepared by Art was the only Agenda item. There were several suggested changes and additions to the Draft. Art volunteered to make these changes for the Committee to review again before sending the draft to the Board for their consideration.
  
3. At our November meeting Ross Anderson volunteered to draft a letter that could be sent to members who have complaints against them. This was not discussed but will on the Agenda at the March meeting.
  
4. A meeting will not be held in February. The next meeting well be held on the third Tuesday, March 19, 4:00 PM in the room above the office.

Robin Scherting, Chair

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**Water Advisory Committee  
February 5, 2013**

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

1. Water rights status – Bill Clarke called in to our meeting to provide an update on our water rights negotiations with the Dept. of Ecology (DOE). He felt that there are three current issues. First is the additional information that we have provided via the updated draft of the Water System Plan (WSP) relative to projected water demand at buildout including provisions for water conservation program efforts. That information has been provided and is pending review by DOE.

The second issue was a suggested cost reimbursement that DOE had raised but never confirmed. Bill felt that DOE was not going to pursue that further.

The third issue is the timeline for a decision. The original agreement stated that we would be complete by Dec. 31, 2012 and that date has passed. Bill has written a letter to DOE suggesting that the timeline be extended to March 15, 2013 to allow time for them to review the information in the WSP and reach a decision. He has not received a response yet.

Bill suggested we consider an offer to accept a water rights determination of 211 acre feet that would be consistent with the numbers in the WSP at buildout including water conservation efforts, providing that we would not appeal a decision at that number rather than holding out for 225 that we've been insisting on for a long time. The other potential number that DOE has been considering is 192 and that an offer to not appeal at 211 might be enough to get DOE to agree. Neither they nor we want to drag this out and DOE doesn't want us to appeal their decision.

Ed felt and we all agreed that 211 would be acceptable, better than 192 that we would have to take a serious look at appeal, and far better than the original 160 that DOE determined which we did appeal that lead to the current negotiations.

Scott asked why DOE couldn't meet their own Dec. 31, 2012 deadline and whether they might not be able to meet a March 15, 2013 deadline. Bill and Ed both felt there we no way to force them to make a decision, just keep pushing them on the issue. There is political pressure on DOE to make decisions and get water rights processed, that should be in our favor.

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Art said that, if we get agreement with DOE for 211 acre feet, we would have to take that to our Board of Trustees before we could accept it but neither he nor Mike felt that would be a problem, given that the Water Committee found it acceptable.

2. Water System Plan (WSP) – The newly completed re-draft of the WSP has been submitted and accepted by the Dept. of Health (DOH). Copies have also been provided to Bill Clarke, DOE and the local Jefferson County Health Dept. Now we just have to wait for reviews. We anticipate that there could still be some comments or questions that might need to be addressed but we should be pretty close to final form now. No timeline has been suggested.

The only significant issue we discussed was the continued delay on being able to connect new Well 8 to the system until we get approval of the complete WSP from DOH. We could have filed a separate application for Well 8 but that would have duplicated the WSP effort at additional expense. We would like to have Well 8 online before the summer. We discussed the financial concern for carrying the uncapitalized expense over from 2011 and 2012.

Ed said another issue that will be put to rest with approval of the WSP is the total number of allowable connections will be at 665 instead of the earlier figure of 645. The 665 will allow full buildout of all lots in Cape George.

Given that Cape George has a fully completed water system and no plans for further expansion, this is the last full WSP that we'll ever have to do. Water systems that can continue to expand are required to file a full WSP every five years (at substantial cost). From now on, we can file periodic small plan updates if necessary.

3. Stew is still working with Sharon to get better data out of the meter reading systems but no new figures as the meters were just read. Stew said we are now under 20 'leak' reports as compared to being over 60 when he started addressing them on a regular basis. That is an important element of the water conservation program – detecting and addressing leaks.
4. Greg said he has resolved the problem with the 2012 'unaccounted for' water numbers – the difference between the water we pumped as measured by the pump meters and the amount of water we show delivered through the customer meter reads. He is now showing 93% accounted for (as compared to a 90% industry standard goal). He is still working to complete his final report.
5. Greg reported that Donnie has completed repairs on pumps and motors at the well site. They still have to add the 'soft' motor starter that reduces wear and tear on the pump motors. That will be done by the electricians. Scott suggested we do that for all of the well pumps if we can get a better price than doing them individually.

The next meeting will be on **March 5, 2013 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, Mike Smith, John Hanks, Ross Anderson, Penny Jensen and Ray Pierson

**Action on Minutes:** Carol Wood moved and John Hanks seconded to approve the February 14, 2013 Board Meeting minutes. Passed 6/0

**Membership Report** – Carol Wood

Greg & Marcy Mika purchased 531 Saddle Drive and Lot 29-7 Saddle Drive from Linda Young

**Treasurer's Report:** Michael Smith thanked the Cape George Bookkeeper, Joanne Vermilion, for preparing the following report for him.

**TREASURER'S REPORT  
As of February, 2013**

<b>1</b>	Total cash and investments at month end were	<b>\$825,172</b>
	That amount is comprised of	
	General checking of	<b>158,937</b>
	General savings of	<b>31,497</b>
	Two petty cash accounts of	<b>600</b>
	and CDs and Money Markets totaling	<b>634,138</b>

**The decrease in the General checking account is a typical pattern in-between trimester payments. All bank accounts have been reconciled for February.**

<b>2</b>	The CDs and Money Markets are primarily Reserve accounts and include:	
	General Reserves	<b>\$125,153</b>
	Special Assessment	<b>204,334</b>
	Water Reserves	<b>200,062</b>
	Marina Reserves	<b>104,589</b>

No new financial accounts have been opened since last month.

**The 2012 recharacterization or "year-end roll-over" has not yet taken place and will likely wait until completion of the 2012 audit.**

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<b>3</b>	Regular accounts receivables, net of allowances are	<b>\$10,017</b>
	Receivables over 90 days, net of allowances are	<b>569</b>

**There is a \$13,000 reduction in OS receivables. This is the typical pattern in-between trimesters - January, May and September**

The Special Assessment Receivable outstanding is **\$80,290**

**As of February 28, there was \$3,664 in delinquent Special Assessment payments.**

- 4** Year-to-date total net Revenue and Expenses (Net Income) of \$126,590 is favorable when compared to the original budget.
- By cost center the results and associated variances are:*
- General operations for the month are (\$22,525), a negative amount that is \$20 greater than budget.
- Water operations for the month are (\$16,398), a negative amount that is \$8,782 greater than budget.
- Marina operations for the month are \$1,544 or \$5519 short of budget.
- Reserve interest income was \$57. This income was not budgeted in 2013.

**Although February operations do seem to be tracking with budget expectations, there are several timing differences (actual vs budget) that have become apparent and will be resolved by next month.**

03/12/13

**Manager's Report:** Art Burke

Office Assistant Sharon Mitchel and Caretaker Donnie Weathersby participated in an online training session with Badger Meter Company. This was an opportunity to have one-on-one time with their technical staff and address a couple of long term problems with the system. The end result has been the further refinement of how the Badger meter system works for us.

I met with a member to evaluate an arborists report on a damaged tree adjacent to her property. Work is currently underway to determine whether the tree is on community property or the member's property.

Coastal Geologic Services will be conducting a site survey on March 28 as the first step of the contract for developing a plan to protect our shoreline area. A progress report will be provided at future Study Sessions.

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The first Final Report and Claim of Loss that was submitted to Selective Insurance on our insurance claim for the flood on December 17th, was rejected. A second report was prepared and has been submitted. The second report will increase our claim of loss by \$1,541.75. We are anticipating receiving a check in the amount of \$16,323.94 for repair, replacement and cleanup costs associated with the flood.

Work is underway to replace two pump starter drivers at the Tank Farm with “soft start” drives. The replacement of these drives will increase the efficiency and life of the pumps.

Miscellaneous projects taking place in the community include:

- Installing vinyl base molding in the pool changing rooms to dress up the tile floor edge.
- Repair to pump house ceiling at the Tank Farm.
- Install/replace lighted emergency exit signs in the Fitness Room and Pool.
- Replace sand filter medium on the pool filter system.
- Replace road edge gravel at several locations in the community.
- Paint touch up in the Fitness Room and Pool.
- Repair/replace crawl space vent grills at the Clubhouse.
- Moss treatment at the Clubhouse/Pool building.
- Window screen repair at Clubhouse

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

- Report of trailer fire in the Highlands – it was apparently a very small fire.
- Report of a dog off leash in the Colony charging a member walking her dog.
- Report of a dog in the pool.
- Complaint of a dog attacking another dog in the Colony.
- Report of an unescorted guest in the pool.
- Report of vehicles without passes at the pool parking area.
- Report from a member concerning two separate occasions where someone knocked on their door at approximately 4 am.

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Building, Environmental, Finance and Water. The reports are attached to these minutes and incorporated by reference.

**Information Items**

- A. The Trustees requested the Manager respond to the note from Pam and Rudy Theobald.
- B. The Manager informed the Trustees that Coastal Geologic Services would be conducting a site survey on March 28 as the first step on the contract for developing a plan to protect our shoreline area. A progress report will be provided at next month’s meeting.
- C. The Manager informed the Trustees that the first Final Report and Claim of Loss that was submitted to Selective Insurance on our insurance claim for the flood on December 17<sup>th</sup>, was rejected. A second report was prepared (see attached) and has been submitted. The second report will increase our claim of loss by \$1,541.75.

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- D. The Trustees gave permission to Building Committee Chair, Ann Simpson, to place an article in the April Newsletter for member input on the Building and Property Regulation related to roof pitch. Responses will be shared at the April Study Session.
- E. The Trustees will be inviting the Co-Chairs from the Emergency Preparedness Committee attend the April Study Session to discuss their program.

**Member Participation**

A member expressed concern over the lack of recent meetings of the seawall task force and requested that motion 3 (below) be deferred until after such a meeting was conducted. After a discussion, the board decided to proceed with the motion.

**New Business Agenda Items**

**Motion 1:** John Hanks moved and Ray Pierson seconded to deny request for variance by Jim and Donna Bodkin for the conversion of an existing attic space at Lot 2, Block 13, Division 6 in the Colony, which would require raising the existing roofline 2-3 feet above the allowed maximum elevation of 17 feet. Passed 6/0

**Motion 2:** Penny Jensen moved and Carol Wood seconded to approve request for variance by Robert Miller to construct a home at Lot 11, Block 4, Division 2 in the Colony with a roof slope of less than 3:12 as required by the Building and Property Regulations. Passed 5/1.

**Motion 3:** Michael Smith moved and Ray Pierson seconded to approve the expenditure of not to exceed \$1,700 for the preparation of an addendum to the Biological evaluation by Marine Surveys & Assessments with funds to come from Marina Reserves and Special Assessment accounts in the prescribed ratio. Disclosure: While this expenditure is required to obtain the permit for the authorized seawall project, it was noted this evaluation could also possibly benefit other potential projects in the future. The trustees did not consider this collateral benefit to be a barrier to authorizing the expenditure. Passed 6/0

**Motion 4:** Michael Smith moved and Carol Wood seconded to approve the Letter of Representations, Legal Representation Letter and Post Balance Sheet Audit Inquiry letter to initiate the acceptance of the 2012 Audit Report by Cagianut & Co. and authorize signing of the documents by staff and Trustees. Passed 6/0

**Motion 5:** Carol Wood moved and Ray Pierson seconded to approve the final draft of the 2012 Audit Report as submitted by Cagianut & Company. Passed 6/0

**Motion 6:** John Hanks moved and Penny Jensen seconded to approve the 2012 Federal Tax Return as submitted by Cagianut & Company and authorize signing of the document by a Trustee. Passed 6/0

**Motion 7:** Penny Jensen moved and John Hanks seconded to develop an action plan on 2012 Audit internal control report findings as submitted by Cagianut & Company and provide quarterly progress reports to the Trustees. Passed 6/0

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**Motion 8:** Carol Wood moved and Ross Anderson seconded to approve the request by the Jefferson County Commissioners to conduct a community meeting at the Cape George Clubhouse on a date to be determined based on availability of the facility. Passed 6/0

**Motion 9:** Michael Smith moved and John Hanks seconded to review a list of additional financial institutions to invest Cape George funds in accordance with Cape George Rule FIN09 Investment Policy and consider resolution to approve Wells Fargo and Chase bank as depositories for the organization. Passed 5/0, 1 abstention

**Open Board Discussion**

There will be a special board meeting on May 21 at 7PM to discuss the amount and structure of the new reserve assessment.

**Announcements:**

- A. Study Session – April 9, 2013, 3:00 P.M.
- B. Board Meeting – April 11, 2013, 7:00 P.M.

**Adjournment:** John Hanks moved and Ray Pierson seconded to adjourn Regular Board Meeting at 8:05 p.m.

Submitted by:

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Carol Wood, Secretary

Approved by:

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Richard Hilfer, President

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**Building Committee**  
**March 1, 2013**

Variance Requests:

ROBERT MILLER / BRENDA REIMNITZ: Div 2, Blk 4, Lot 11, Sunset Blvd, Colony  
Reduce roof slope in parts of the residence to less than 3:12 pitch. Reduce view blockage for neighbors to the East. Screen rooftop equipment. More interest in interior space.

2-15-13 The Building Committee met to discuss this request and found that the criteria has been met for us to recommend approval.

JIM & DONNA BODKIN: 92 W Vancouver Dr, Colony

Conversion of existing attic space above garage to living space. Requires extending roof 3 feet. Elevation of structure (revised roof line) will be approximately 2-3 feet above maximum elevation of 17 feet.

2-22-13 The Building Committee met to discuss this request and found that it does not positively meet the Variance Criteria used to evaluate these requests. The possibility exists that by extending the height of the roof it could diminish views of properties situated to the East of this residence. We are not recommending approval of this variance request.

Other Business:

2-1-13 HAMILTON HAZELHURST: 153 Marina Dr, Colony

We met to preview plans for an addition. I reported our findings to the member. He made a necessary change and is now ready to submit his plans to the county.

2-4-13 MONTHLY MEETING: We had an ongoing discussion about creating a regulation to allow temporary (rented) storage sheds. We discussed the Roof Pitch regulation – we are trying to understand the basis of the 3:12 pitch as the trend toward low slope roofs are appearing more frequently.

2-8-13 JUDITH SPECHT: 41 N Palmer, Colony

Steve and I measured the height of the structure, 16' 7".

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**Environmental Committee**  
**March 11, 2013**

- I. **Call to order** - The meeting was called to order at 9:32 by Kitty Rucker. Members present were: Art Burke, Gretchen Cooper, Dennis Felner, Bob Gallaway, Betty Hanks, Robin Scherting, Steve Shapiro, Dean Shinn. *Thank you to Gretchen Cooper for taking notes.*
- II. **Approval of Minutes.** Motion made to approve minutes by Robin Scherting. The minutes, as corrected, were approved unanimously.
- III. **Financial Report.** We have \$1,369.05 in our account. We donated \$100 to the Eleanor Stopps Memorial Sculpture on January 8, and we paid shipping of \$33.20 on a piece of equipment ordered for the log project.
- IV. **Old Business**
  - A. **Report on Beach Protection Project – Art Burke**
    1. The Board has signed a contract with Jim Johannessen of Coastal Geologic Services to develop a plan to protect our beach from further erosion and flooding. They did a study of our beach about 12 years ago.
    2. The probable solution will be to build a berm with a combination of sand and gravel and covered with native plants and grasses.
    3. CG purchased 4 loads of gravel and dirt to fill in where the berm was washed out in the flood. The county was kind in not penalizing us for doing this without a permit. They will incorporate this into the final plan permits.
    4. Dean Shinn said that there would be some very high tides in December of 2013. He suggested that we do everything possible to protect the Clubhouse by then. Art said that the plan for the area should be presented in about 3 months, so we should have time.
    5. Rocky D’Acquisto has donated a wastewater pump to the community to use wherever there is flooding in the future.
    6. Special thanks to Penny Jensen for insisting that CG have flood insurance. Because she did, we will receive about over \$16,000 for losses and building clean up, and possibly more for damage to the building.
  - B. **What can the Environmental Committee do to help?** Art says that after the plan is approved we will be able to help with the work involved and in planting the vegetation needed to hold the berm in place. We can also help by paying for some of the plants and materials, and can also help to draft a grant request, possibly through the agency that Tony Petrillo mentioned at our last meeting.
  - C. **Poison Hemlock Spraying.** – Art had Town and Country come in to spray the Poison Hemlock at the marina and on the cliff.
    1. It was suggested that we organize a poison hemlock work party and put an article in the newsletter to ask for help on that. Kitty agreed to do that. It will be on Monday, April 8, at 10 a.m., so that Steve Shapiro can come and help.
    2. Dean Shinn suggested that we call Gray Wolf and ask for kids to help. Kitty will call to see if that is a possibility. Kitty and Gretchen volunteered to monitor the kids.
  - D. **Eleanor Stopps Memorial Sculpture.** We donated \$100 to this project in memory of what she did to save Protection Island for a bird sanctuary.

**V. New Business**

- A. **Presentation on Stranded Marine Animals by Marine Science Center.**

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1. Kitty had a call from Janice Landry from the Marine Science Center. They would like to do a presentation to train volunteers on how to monitor stranded marine animals in the Cape George area.

2. The committee agreed that this was a good idea and suggested that the presentation be on a Saturday so that more members could attend. Kitty found that on Saturday, March 30, at 11 a.m., the clubhouse is available. She signed us up to have the room then.

3. The following people agreed to help and bring cookies Kitty, Robin, Gretchen and Betty. Robin will make coffee for the event.

**B. Fund Raisers.** What do we want to do this year to raise money for our projects?

1. Pancake Breakfast. Not this year. Too much work.

2. Dance. Last year we had a dance to raise money for the beach project. Everyone decided that was fun and we should do it again this summer. Kitty said that she would call Jan Stone to see if she will provide music again. Sometime in July would be good.

**C. Update our Volunteer list for maintaining common areas.** Kitty will call all volunteers and ask if they need anything and if they are still maintaining their areas.

**D. Amy Brandon Memorial Service.**

1. There will be a service to honor our dear friend, Amy Brandon, on March 23, at 2 p.m., at the Clubhouse.

2. Amy was one of the founding members of the Environmental Committee and continued to help us until she went into assisted living. We will all miss her greatly.

3. Amy's son has asked that all donations go the Environmental Committee. We thank him very much. Kitty will write thank you notes to all who contribute.

**E. Dog complaints.**

1. Dean Shinn suggested that the Environmental Committee do something about dogs that chase birds on the beach, dog owners who do not clean up after their dogs, and also about dogs off leash in neighborhoods.

2. Kitty will write an article for the newsletter regarding these issues and will ask owners to please make sure that their dogs do not bother other people or wildlife.

**VI. Adjournment.** The meeting was adjourned at 10:37.

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**Finance Committee Notes  
February 2013 Meeting**

Finance Committee held its regularly scheduled monthly meeting on Monday, February 18, 2013 at 9:30 a.m. at the Clubhouse. The meeting was attended by B. Barnhart, G. Semick (via telephone), K. Krug, A. Burke, Manager and M. Smith, Treasurer. There was one additional community member present.

**1 Updates:**

- a. Finance related topics: A review of finance related topics addressed at the February Board meeting was presented, including:
  - I. The Board's decision to accept without amendment prior years' federal tax returns;
  - II. The Board's ratification of existing bank accounts; and
  - III. The Manager's update concerning the status of the flood insurance claim. That claim is still under review by the insurer but it is anticipated that Cape George will receive a net of about \$5000.00 for personal property damage plus an additional amount estimated to range from \$5000 to \$10,000 for building damage and costs to shore up the berm.
- b. Prior Open Financial Issues: The discussion reiterated FINCOM's standing request for details surrounding the existence and status of judgments in favor of Cape George for accounts due. The Manager stated that he had met with the attorney but would meet again and ask the attorney to review the Superior Court Plaintiff/Defendant table to identify judgments in favor of Cape George. The Manager stated that there was a high likelihood that two substantial long standing overdue accounts might be paid within the next 60 days or so as the underlying properties were being sold. It was noted that judgments accrue interest at 12%.

**2 January Financials:**

- a. January financials were provided. It was noted that the Committee's prior recommendation to review budget allocations may not have happened. The difference between budget and actual allocation may be the reason for the noticeable variance in insurance.
- b. Clarity's charges for accounting services for January are high – they exceed 60% of the total annual allocation. FINCOM continues to express its concern about the lack of detail on the Clarity bills and the appropriateness of some of the charges.
- c. The Manager stated that the bookkeeper has expressed reservations about her ability to prepare the month end financial statements. With additional training and oversight she should be able to gain comfort and competence in this area. The Manager and Treasurer should determine how to assist the bookkeeper to obtain these necessary skills (part of the job description) and then to make arrangements for such training. It was requested that K. Krug assist in this process.

**3 2012 Audit Update:**

- a. There has been in regular contact with the new audit firm, Cagianut & Company (C&C). They have asked many questions and requested much additional documentation, both current and prior year. Their work and level of inquiry and review is detail oriented (as an audit should be) professional and very comprehensive.
- b. The 2012 draft audit should be available for Board review and consideration by mid-March.

**4 Cash Flow Reconstruction:**

Additional discussion on this issue, including a formal recommendation to the Board, has been postponed until the March 2013 meeting..

**5 Other Business:**

- a. After some discussion, it was suggested that, after completion of the audit, a P&L statement, exclusive of depreciation be published in the newsletter.

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b. As part of its planned revision of FIN 08, it was determined that FINCOM should add to the list of recommended annual Board actions:

- I. Ratification of existing bank accounts; and
- II. Ratification of the status of civil judgments.

The next Finance Committee meeting is scheduled for March 18, 2013 at the Cape George Office.

**W-I-P (work in process – ongoing projects)**

- I. Modifications for FIN 02, FIN 04 and FIN 08 (new HOA reserve requirements and board duties)
- II. Final modification to asset accounts to streamline presentation and maintenance.

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**Cape George Water Advisory Committee  
March 5, 2013**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Mike Smith, Board Liaison; Larry Southwick, Committee Chair; and members Ed Skowyrza and Scott James.

1. Water rights status – Art had checked with Bill Clarke, attorney for our water rights negotiations with the Dept. of Ecology (DOE). Nothing new from Bill at this point except it appears DOE hasn't received the final information. We (through NTI) have submitted the additional information to the Dept. of Health (DOH) for the Water System Plan (WSP) and that includes the information that DOE was waiting for. Ed said that DOE really has all the information they need. It seems we just have to wait for DOE to review it. We still stand by the discussion we had last meeting to offer to settle the water rights at 211 acre feet per year, once DOE is ready to negotiate.

It seems DOE has agreed to continue to extend the settlement agreement until we can get back together to complete the negotiations. Continued delay doesn't really impact us, other than delaying full implementation of Well 8 which is pending DOH review and approval of the WSP. The other impact is the continued costs for NIT and Bill Clarke until we get both DOE settled and DOH approval of the WSP. Hopefully we have now completed all that they need but there is still a possibility that they may request more.

2. Art said Donnie will soon be reading water meters again and hopefully we will have resolved some of the software problems. Sharon is still working with Badger Meters to get an easier transfer of data from the meter reading into our spreadsheets. Because we don't bill based on the meter reads, they can get around one of the pieces of software that's causing the problems. Art also said that the number of 'leak' reports is now in single digits which shows that effect is paying off.
3. Art also said that Double D Electric will soon install the 'soft starter' equipment for the pumps.

The next meeting will be on **April 2, 2013 at 5 pm at the Office.**

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**President Richard Hilfer called the meeting to order at 7:00 pm**

- A. Welcome
- B. A Special Board Meeting will be held to discuss Reserve Fundraising on Tuesday, May 21, 2013 at 7 pm.

**In Attendance:** Richard Hilfer, John Hanks, Mike Smith, Ray Pierson, Penny Jensen, Ross Anderson. Carol Wood was absent.

**Action on Minutes:** John Hanks moved and Ray Pierson seconded to approve the March 14, 2013 Board Meeting Minutes. Passed 5/0

**Membership Report:** John Hanks

- Richard W Kint was deeded 420 Dennis Blvd by the Estate of J Richard Kint
- William & Elaine Eppick purchased Lot 27-3 Spruce Drive from Louis Schwartz, Barbara Donovan and Janis Marquardt

**Treasurer's Report:** Michael Smith, Treasurer, thanked Karen Krug for preparing the Treasurer's Report.

**TREASURER'S REPORT  
As of March 31, 2013**

<b>1</b>	Total cash and investments at month end were	<b>\$805,573</b>
	That amount is comprised of	
	General checking of	<b>135,873</b>
	General savings of	<b>31,500</b>
	Two petty cash accounts of	<b>600</b>
	and CDs and Money Markets totaling	<b>637,600</b>

**A new account was opened at Wells Fargo and the Special Reserve funds from Kitsap bank were transferred and a new account was also opened at Chase to hold transferred funds from Peninsula Credit Union. All bank accounts have been reconciled for the month.**

<b>2</b>	The CDs and Money Markets are primarily Reserve accounts and include:	
	General Reserves	<b>\$125,256</b>
	Water Reserves	<b>200,229</b>
	Marina Reserves	<b>104,676</b>

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Special Assessment - North Seawall

207,439

**Interest income for the first quarter of 2013 is reflected in the above accounts. Also reflected is the March Special Assessment cash collections.**

3	Regular accounts receivables, net of allowances are	\$6,642
	Receivables over 90 days, net of allowances are	3,045

**The decrease in receivables is traceable to the collection of three very old outstanding accounts that had previously been considered "uncollectible." In addition, a bankruptcy judgment was also actualized in March.**

The Special Assessment Receivable outstanding is

\$78,810

**The Special Assessment receivable has been reduced to reflect a \$148 bankruptcy bad debt.**

- 4 Year-to-date total net Revenue and Expenses (Net Income) of \$103,807 is favorable when compared to the original budget which projected Net Income of \$92,079 as of 3/31/13. By cost center the results and associated variances are:  
Year-to-date General operations shows Net Income of \$35,689 versus a budget of \$23,623.  
Year-to-date Water operations shows net income of \$20,813 versus a budget of \$28,694.  
Year-to-date Marina operations shows a net income of \$46,855 versus a budget of \$39,762.  
Year-to-date Reserve interest income is \$451. This income was not budgeted in 2013.

**General Operations includes a \$6,800 bad debt expense reversal associated with the collection of several very large outstanding accounts that had previously been considered "uncollectible." That reversal will likely be reclassified to a prior period adjustment prior to the 2013 audit which means it will have no impact on net income for 2013.**

**Higher than budgeted expenses for the water system plan are the primary cause for the underperformance in Water operations.  
Marina operations are performing better than budget due largely to higher and more quickly collected moorage revenue.**

04/10/2013

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**Manager's Report:** Art Burke

On March 21, I received a report of the bolt securing the south marina gate being cut sometime between the hours of 5 and 7 pm on March 20. Nothing appeared to be missing from the south marina area.

Coastal Geologic Services has initiated work on the contract to provide a design for shoreline protection in front of the Clubhouse and park area. Their field crews spent the day surveying the area and collecting topographic measurements.

The office has been working with the Harbormaster on resolving a number of issues related to canoe and kayak storage. If you have a canoe or kayak on one of the racks in the marina, please make sure that you have some form of identification on the vessel and/or rack cross arm. If you need additional information, please contact the office.

In mid-March I received a report of unescorted non-members using the pool. I encountered the "visitors" later that same week and it was determined that they had obtained a member access card without their permission. The card has been deactivated. All members are encouraged to notify the office if they misplace an access card or fob so that it can be cleared from the system.

I am working with the Harbormaster on identifying a vessel and trailer that have appeared in the Marina. The trailer does not have a license plate and the vessel does not have a current Washington registration tag.

We have received the resignation of our part-time Bookkeeper Joanne Vermilion. It has been great to have had her in the office for the last several months and we will miss her dedicated service to the community. I have begun to work with the Trustees and Finance Committee Chair Karen Krug on moving forward with a replacement plan for the corporation's accounting needs.

Miscellaneous projects taking place in the community include:

- Hazardous tree removal on Colman Drive.
- Poison Hemlock being pulled from lower ravine trail area and vicinity of playground.
- The mowing season has begun – common areas and ditches are being worked on.
- One of the two barbeque grills damaged in the December 17<sup>th</sup> flood has been removed.
- Various maintenance repairs are being made to the buildings at the Tank Farm.

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

- Hedge complaint on Huckleberry Place.
- Report of unlicensed motorized vehicle being driven in the Colony.
- Complaint of unsupervised children in the pool.
- Complaint of aggressive dogs off leash in the Highlands.

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**Committee Reports:**

The following committee reports were submitted to the Board of Trustees: Building, Environmental, Finance, Marina, Pool, Seawall, Water, Workshop. The reports are attached to these minutes and incorporated by reference.

**Information Items:**

- A. The Manager informed the Trustees that Coastal Geologic Services had conducted a site survey on March 28 as the first step on the contract for developing a plan to protect our shoreline area. A progress report will be provided at next month's meeting.
- B. The Manager informed the Trustees that the Workshop Committee would be working with the Marina Committee on developing a list of repair and replacement items related to the insurance claim for the flood on December 17<sup>th</sup>. Once completed it will be brought to the Board for approval.
- C. At last month's meeting the Trustees gave permission to Building Committee Chair, Ann Simpson, to place an article in the April Newsletter for member input on the Building and Property Regulation related to roof pitch. So far only two written comments have been received, all supportive of removing the roof pitch rule. The Trustees asked that this subject be moved to a fall meeting for final consideration.
- D. Emergency Preparedness Committee Co-Chair, Carolyn Salmon, provided a detailed presentation on the responsibilities of the Committee.
- E. The resignation of our Bookkeeper and potential options for moving forward with accounting services for the corporation was discussed. The Manager and Finance Committee Chair Karen Krug will be further investigating options and provide the Trustees with updates as they become available
- F. The Trustees received a report from the Finance Committee concerning prior year reserve fund transactional errors with the recommendation that they be corrected. The Trustees will be providing an informational piece disclosing this information to the members and acting on the recommendation at a future meeting.

**Member Participation:**

A member suggested peer pressure, rather than additional rules, would be a more effective way to improve personal property maintenance in our Community.

**New Business**

**Motion 1:** Mike Smith moved and Ray Pierson seconded to approve the plan presented by the Manager to address 2012 Audit internal control deficiencies. Passed 5/0

**Motion 2:** Penny Jensen moved and John Hanks seconded to approve member request to extend Building and Property Regulation for completing construction of residence by an additional 45 days. Passed 5/0

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**Motion 3:** John Hanks moved and Penny Jensen seconded a resolution to transfer \$3,000 from General Reserves to General Investments Account for elliptical machine replacement in fitness room. Passed 5/0

**Motion 4:** Mike Smith moved and Ray Pierson seconded a Resolution to transfer \$148.75 from Marina Reserves to General Investments Account and \$446.25 from Special Assessment Account to General Investment Account for Seawall Replacement Project. Passed 5/0

**Motion 5:** Ross Anderson moved and Penny Jensen seconded to approve the expenditure of not to exceed \$4,625 for the replacement of the 3-phase starters on pumps 5 and 6 at the tank farm and replace them with soft starts with funds to come from Water Reserves. Passed 5/0

**Motion 6:** Ray Pierson moved and John Hanks seconded to direct the Manager and Harbormaster to proceed with collection procedures on six small vessels as outlined in Cape George rule FIN03 Delinquent Accounts, section 2.7 Collection of Past Due Moorage, Boat and Trailer Storage Fees and Impound Rights. Passed 4/0/1 abstention

**Motion 7:** John Hanks moved and Mike Smith seconded to rescind the calculated fiscal year 2012 rollover amounts as approved at the January 10, 2013 Board Meeting. Passed 5/0

**Motion 8:** John Hanks moved and Mike Smith seconded to approve actual rollover amounts as presented post audit. The total excess cash for reserves is \$66,652.00 (General Reserves \$15,717, Water Reserves \$39,481, and Marina Reserves \$11,454). Passed 5/0

**Motion 9:** Ross Anderson moved and Ray Pierson seconded to accept the following items donated to the Fitness Room by the Fitness Committee and members of the community. Passed 5/0

- Concept 2 Rowing Machine and mat purchased new by donations at \$1,509.64
- TechnoGym posterior stretching machine purchased used by donation for \$200, valued at \$2,400
- TechnoGym anterior stretching machine purchased used by donation for \$200, valued at \$2,400
- \$582 partial payment toward the replacement of the Precor elliptical machine
- Donation of used Nautilus weight machine valued at \$600

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**Motion 10:** Richard Hilfer moved and Penny Jensen seconded to appoint Kitty Rucker as Chair of the Nominating Committee. Passed 5/0

**Open Board Discussion:**

Ross Anderson, Board Liaison to the Property Maintenance Committee, announced the Board had received a resignation from Robin Scherting, the Committee Chair. It was requested the Manager add the direction of Property Maintenance Committee to the next Study Session Agenda.

**Announcements:**

- A. Study Session – May 14, 2013, 3:00 pm – Meeting to be held at the Fire Station
- B. Board Meeting – May 16, 2013, 7:00 pm – Meeting to be held at the Fire Station
- C. Special Board Meeting – May 21, 2013, 7:00 pm

**Adjournment**

**Motion 11:** John Hanks moved and Penny Jensen seconded to adjourn the meeting at 7:45. Passed 5/0

Submitted by:

Approved by:

\_\_\_\_\_

John Hanks, Vice President

\_\_\_\_\_

Richard Hilfer, President

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**Committee Reports**

**Building Committee**

**DATE: April 1, 2013**

*Building Permits Issued:*

MICHAEL SMITH: 131 E Rhododendron, Colony

Build a shed.

*Earthworks Permits Issued:*

JUDITH SPECHT: 41 N Palmer, Colony

Dig a trench to run power underground from pole to residence.

Building Committee Meeting, March 4, continued discussion on temporary sheds.

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**Environmental Committee**  
**April 5, 2013**

- I. **CALL TO ORDER:** The meeting was called to order at 9:05 by Kitty Rucker. Members present were: Art Burke, Ann Candioto, Bruce Candioto, Bob Galloway, Betty Hanks, Joel C. Janetski, Dick Poole, Kitty Rucker, Linda Sutton, and guest, Dave Woodruff.
- II. **APPROVAL OF MINUTES:** Kitty reviewed the corrections made to the minutes. They were approved as corrected.
- III. **FISCAL REPORT:** So far we have received \$598.00 in donations in the name of Amy Brandon. We have a total in our account of \$1,937.05
- IV. **OLD BUSINESS**
  - A. Report on Beach Erosion Project – Art reported that the Coastal Geologic Survey came out and spent one whole day surveying our beach. They will now prepare a report and map the area and come back to us with a plan for our beach.
  - B. Marine Science Presentation on marine mammals.
    1. Kitty reported that we had a newsletter article on the presentation, and we sent out an email blast to remind people. No one showed up.
    2. The Marine Science people are willing to come out again, even on the weekend.
    3. A motion was made to not have another presentation but to instead write another article in the newsletter asking for volunteers who would be trained at the Marine Science Center. This passed unanimously.
  - C. Articles in the newsletter – Kitty wrote three articles on the following topics: The Stranded Marine Mammal Presentation, Dog Problems, and the Poison Hemlock Picking Party.
  - D. Fund Raisers. Kitty talked to Jan Stone, who agreed to prepare the music for another Save the Beach Dance. A motion was made to have the dance in June. Kitty will contact Jan and alert her.

**V. NEW BUSINESS**

- A. Seawall Task Force Committee Plan For Planting Woody plants
  1. Bruce Candioto explained how the committee has been working to obtain a permit from the Corps of Engineers, which would include the seawall project, dredging, and the beach erosion project and would last for 5 years. They were told that to obtain this permit they would have to develop a plan for planting woody vegetation to anchor the soil. They would like to have the approval of the Environmental Committee to present this plan to move their project along.
  2. A motion was made and approved unanimously to approve the preparation of the plan to be presented to the Corp of Engineers.
  3. Bruce Candioto has measured the area and drawn a map to scale. Ann Candioto will place plants on this map and The Seawall Committee will send it to the appropriate agencies.
  4. Kitty asked that the committee send a copy of the plan to the Environmental Committee for its records.

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B. Fish Pens in the waters around our peninsula.

1. Linda Sutton contacted Kitty to ask that the Environmental Committee have a speaker come to tell us about the dangers of having fish pens in our area. We invited Dave Woodruff to speak to us.

2. Dave has worked to prevent fish pens for 20 years with the Oak Bay Coalition and the Marine Environmental Coalition. The Jefferson County Commissioners voted to not allow fish pens in this area. The state just told them that they could not do that.

3. The concerns with fish pens are that they cause disease in the fish in the surrounding area, some Atlantic salmon have escaped from the pens and are now loose in our waters, the waste from these pens is concentrated in the area around them and leads to smell and pollution of the waters there along with high algae that could harm fishing, and finally the visibility or the pens is unpleasant in our pristine waters. A plan for future pens is to develop genetically engineered fish to be bigger and better able to survive in our water.

4. A motion was made and passed for our committee to do the following:

a. Ask individuals to send letters to all government agencies asking them to not allow fish pens in our surrounding waters, basically reintroducing Bill 1599.

b. Have an article placed in the newsletter in May telling people about the dangers of these pens

c. Put fliers on our bulletin boards telling members about the County Commissioners' Meeting that will be held on April 15<sup>th</sup>, at Superior Court, at 6 p.m. on this issue.

d. For Kitty to contact Kyanne Anderson and ask her to add this topic to the list of presentations at the Cape George University.

C. Poison Hemlock Picking Party.

1. There will be a picking party at the Ravine and on the beach right after this meeting at 11 a.m.

2. Ann Candioto made a motion (which passed unanimously) that we not have any more picking parties because the plant is so poisonous and there is liability to having people working with it and climbing the hills to try to eradicate it.

D. Amy Brandon Memorial Project.

1. The Eddie's White Dogwood has been planted at the Colony mailboxes. We took out a half dead juniper and replaced it with the new tree.

2. The cost of the tree, the deer fencing, the soil moisturizer, the rebar to support the fence, and the fertilizer was \$142.15. Approval had been given by internet for \$60-75 for a tree. There will be an additional Approximately \$71.00 for the plaque. We have so far received \$596.00 in donations for Amy

3. Ann Candioto made a motion (which was unanimously approved) that the Environmental Committee pay for all expenses for this project and that Kitty be given authority to purchase the plaque and choose the wordage to be placed on the plaque.

4. The plaque will then be place inside of a wooded frame and embedded in cement in the ground.

5. A dedication ceremony will be held after the plaque is embedded in the ground. We will notify the family of the date of this event and an article will be placed in the newsletter and on the bulletin boards to make community members aware.

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E. Planting at the Colony mailboxes and pruning the lilacs there.

1. There are some lilacs near the mailboxes that need to be pruned. They have gotten very tall and spindly. If cut back they will come up from the ground with new shoots that will grow closer to eye level. We should also plant some new ground cover and put down dome bark to cover the area and prevent weeds.

2. Ann Candioto made a motion (approved unanimously) that we have Donnie prune the lilacs with advice from Betty Hanks now and discuss at a future meeting what should be done about the rest of the area.

F. Whidbey Island Landslide Article. Should we contact the state government about our cliff erosion and to see if it is related the Whidbey Island slide? We decided not to contact the state. We had an expert in last year, and we are not a “deep seated” erosion area.

G. Cape George Road Clean Up. Ron Niccoli is sponsoring the Cape George Road clean up on Thursday, April 11. Please plan to attend if you can.

**VI. ADJOURNMENT:** The meeting was adjourned at 10:35.

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**Finance Committee  
March 2013 Meeting**

Finance Committee held its regular monthly meeting on Monday, March 18, 2013, 9:30am in the upstairs Conference Room at the Office. Present were B. Barnhart; J. Harrington; G. Semick (via phone) and K. Krug. A. Burke, Manager was also present.

As no agenda was distributed prior to, or at the meeting, the meeting was an open discussion across a wide range of topics.

Those topics included:

- Updates on recent Board actions having financial implications;
  - The status of the 2012 audit and tax returns;
  - Discussion of the process and format of the final year-end cash based P&L statement. While it was thought such a post-audit statement has been published in the newsletter such has not been the case over the past several years. As part of the year-end audit memo, a manual version of the statement will be prepared and included;
  - The status and future actions related to the cash mis-application or reconstruction project;
  - Whether the Committee should act as the drafter or the reviewer of any action plan related to the correction of Internal Control deficiencies – consensus was to review not draft;
  - Updates on collection of two long-standing bad debts which will be actualized in March;
  - Brief comments on additional financial items that will be “trued-up” with the March close;
  - A continuing request for a list of all open judgments; and
  - The status of the bookkeeper’s TOPS and financial statement training and the projected date of discontinuance of Clarity’s services (it was noted that the Chair owed the Manager and Committee a status update on the previously requested observation of that training).
- The next meeting is scheduled for April 15, 2013.

**W-I-P (work-in-process; ongoing projects)**

- (I) Modification to FIN02; FIN04; and FIN08 – new RCW for HOA reserves
- (II) Final modifications to fixed asset accounts to streamline presentation and maintenance

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**Marina Committee**  
**April 2, 2013**

Fourteen members were present along with CGCC Manager, Art Burke.

A motion was made by Penny Jensen, seconded by Bob Frenette that Jack Scherting is reimbursed for hardware items he purchased. The motion passed by a unanimous vote. A reminder was given to all committee members that approvals either from the Committee Chair or Harbormaster, prior to purchases being made, are necessary

Paul Happel has supplied the Committee with photos of members at work and play. Ken Owen volunteered to make prints for the Marina photo display board.

Manager Art Burke advised of the \$16,000 proceeds from the insurance claim that resulted from the Dec. 17, 2012 flood. The funds were to repay for contents of the Community Workshop Building that were damaged. Both the Marina Committee and the Community Workshop Committee will provide Art with a list of replacement items that he can present to the Board of Trustees for approval.

The annual Marina sale to be held on May 17 and 18 was discussed. Tom Ramsey is in charge of advertising. Mac MacDonald will take on sign duties. Ken Owen to oversee pricing. Volunteers will be needed to set-up on the days prior to the sale, as well as during the event. A sign-up sheet will be in the Community Workshop office.

The annual Cape George Regatta will be held on Aug. 17. Last year the Marina Committee hosted an open house for community members to tour the boats, and held a barbeque after the event. A motion was made by John Hanks and seconded by Mac MacDonald to host the event this year but not to exceed \$600. The motion passed 13 for with one against. Proceeds from the Marina sale will be used to pay for the event. All Cape George members are invited.

Mac MacDonald will oversee repairs to the Memorial Lighthouse in front of the Community Workshop building. Mac believed Ann Simpson would be willing to help. Mac also agreed to see if he could use Goodman Sanitation equipment to free-up a plugged drain leading away from the rear of the workshop.

It was noted that three of the twelve life rings purchased for the docks have turned-up missing and that a stainless steel bolt was sawed in half that was utilized in locking the gate into the South storage lot. The life rings were apparently removed from the Community Workshop prior to their placement on the docks. They're large and orange with "Cape George Marina" stenciled on them.

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The needs for a WiFi connection in the workshop were discussed. John Hanks made a motion and Penny Jensen seconded for the purchase of an antenna that will pick-up and re-amplifies the signal broadcast from the clubhouse. The motion passed unanimously.

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**Pool Committee**  
**April 2, 2013**

New vinyl molding will be installed within the week. New drain covers for both bathrooms will be installed in the near future.

New emergency exit signs at both doors are coming soon.

Please observe the pool rules and honor the hours of use for each individual group. No recreational swimming during lap swim for example. All young children must be accompanied by their parents and be in the pool area. Keys are not allowed to be loaned to nonmembers.

In an effort to maximize the use of the pool the pool committee is asking anyone with any good ideas for different activities in the pool to submit ideas to [rock@pointwilson.com](mailto:rock@pointwilson.com). Activities might include learning to do an Eskimo roll in a kayak. Or learning how to swim better. Or participating in and learning the art of deep water aerobics. The pool is a great asset to the community. Send me your ideas and we'll see if we can accommodate them.

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**Property Maintenance Committee**  
**March 19, 2013**

1. The meeting was called to order at 4:00 PM. Members absent were Bob Carter, Richard Poole, Laurie Owen, Norma Lupkes, and Board Liason Ross Anderson.
2. No meeting in February, no minutes to be approved.
3. A revised draft of the PPO2 Property Maintenance rule was sent to the Board for their review at the February Board Meeting. They agreed that each Board member would write their own recommendations before any draft would be published in the newsletter. With this in mind, the committee decided to delay any further discussion until these comments are received from all Board members.
4. The PMC would like to add several members to their committee. If you are interested or know someone that might be interested, please contact the manager or committee chair with this information.
5. The next meeting will be held on the third Tuesday, April 23, at 4:00 PM in the room above the office.
6. The meeting was adjourned at 4:30 PM.

Robin Scherting  
Chair.

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**Seawall Task Force  
October 5, 2012**

John Hanks	379-6572	johnthanks@broadstripe.net
Paul Happel	379-9119	paul_happel_9@msn.com
Mike Heckinger	206-459-2233	mike@wcinsulation.com
Bruce Candioto	379-2563	<a href="mailto:brucandi@cablespeed.com">brucandi@cablespeed.com</a>
Gary Rossow	531-2737	rossowgary@yahoo.com
Dick Pool	379-4173	poolricharde@yahoo.com
Ben Fellows	379-4109	fellowship@olyphen.com
Tike Hillman		mhillman@olyphen.com
Art Burke	385-2208	manager@capegeorge.org

The Seawall Task Force Committee Meeting, was called to order by Ben Fellows at 1:00 pm. Members in attendance were Paul Happel, Ben Fellows and Dick Pool. Tike Hillman, Art Burke and Richard Hilfer attended the meeting with additional members of Cape George present.

Ben Fellows acted as chairperson in Bruce Candioto's absence.

Minutes of the last meeting on September 7 were approved.

The discussion of plans and drawings, and whether we are ready to proceed with permit applications were updated by Tike Hillman. MC Squared will send the corrected Drawings as soon as their computer system is up and running again.

Mr. Hillman clarified the use of sheet pilings and rock in the design. A question had been raised about the sheet pile wallcap section. Mr. Hillman clarified that the section was an iatrical structural member that ties the top of the sheet pile together like a horizontal beam.

Preliminary cost of the north sheet steel pilings is approximately \$120,000 and the north wing wall is approximately \$14,000.

The Preliminary cost of the south sheet steel pilings if approved is approximately \$70,000

Usual cost of the mobilization, equipment and labor is usually considered to be about 1/2 the cost of the materials. This will be determined during the bid process and the approach the contractor takes for the project.

Mr. Hillman stated that if the north and south seawall were completed at the same time there would be considerable cost savings because equipment and mobilization would occur only once.

Mr. Hillman stated that he would have the total cost estimated for the entire project as soon as they are received from MC Squared.

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Gary Rossow will start the Permit Process with the Corps of Engineers with the information received from MC Squared and the information from Mr. Hillman. Once the Corps of Engineers receives the permit it will send it on to all of the other agencies involved in the project. Mr. Hillman pointed out that all aspects of the project including the north and south seawall, the sand bypass and anything else has to go to the Corps of Engineers so they can evaluate the project as a whole. The Corps of Engineers does not like fragmented projects as it slows down the project and gives different outcomes to the results of the project.

Next Meeting: No next meeting date was set. The next meeting date will be determined by the information received from the Corps of Engineers about the permit.

The meeting was adjourned at 1:25 pm.

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**Water Committee**  
**April 2, 2013**

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

1. Water rights status – A conference call was conducted with Bill Clarke, attorney for our water rights negotiations. Much of the discussion dealt with an email that had been sent to Bob Leach of NTI from Marie Peter, Department of Ecology (DOE) permit writer. Marie had been forwarded a copy of the most recent version of the Water System Plan from Jozsef Bezovics, Department of Health (DOH). The focus of the email was Marie calling into question the projected demand forecast calculations in the Water System Plan. It was recommended that additional information be provided that supports the demand with real data and factual information that can be verified.

The “tone” of the email did not sit well with most of the committee members or Bill Clarke. Bill indicated that he was going to be making a contact in Olympia to determine if the scrutiny that is being placed on this water rights issue was atypical or not. Efforts were also underway to review the calculations for demand forecast and look for ways to further support our position. Additional options that could be exercised based on information received is scheduling a meeting with DOE supervisors to challenge their position and requesting that DOE make a decision based on information received to date.

The next meeting will be on **May 7, 2013 at 5 pm at the Office.**

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**Workshop Committee**  
**April 3, 2013**

The meeting was held on the first Wednesday of the month at 9:00 AM April 3, 2013 in the Cape George Workshop.

The following attended Art Burke, Manager, Ken Owen, Chair, Committee members, Scott James, Mac McDonald, Tom Ramsey, Ron Niccoli

**Decisions Made at meeting**

1. We have received a check from the insurance company for losses suffered in the flood and will now be able to start replacing and repairing the tools and equipment damaged by the flood.
2. We will be working on the water drain behind the shop that was clogged with mud and debris after the shop flood this winter.

**Discussed at meeting no decision made**

1. We discussed requiring all shop access cards and fobs to be reauthorized.
2. Work on the lighting in the shop and office area.

**Comments**

Sometime after the shop flood some of the new orange life rings were removed from the shop, if you know where they are please return them to the shop or let Art know where they are.

As members of Cape George we all have a right to to use the community shop, along with this right is the responsibility to clean up any mess caused by your use of the shop.

**Thanks this month to**

**Penny Jensen** A big thanks this month to cape George board member Penny Jensen for insisting we have flood insurance and help in filing the insurance claim that resulted in a sizable check from the insurance company after our recent flood of the shop.

Thanks to all the community members that helped clean up the mess caused by the shop flooding and all the help from members in filing the insurance claim.

**Paul Happel** for the pictures he allowed us to put on the computer, come in and see our members at work and play.

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**President Richard Hilfer called the meeting of order at 7:03**

- A. Welcome
- B. The close of nominations for the two open Trustee positions occurred at 5pm today. The candidates are Ron Hanson, Mike Hinojos, Karen Krug and Dean Shinn
- C. Special Board Meeting on Reserve Funding, Tuesday May 21 at 7pm

**In Attendance:** Richard Hilfer, John Hanks, Carol Wood, Mike Smith, Ross Anderson, Penny Jensen, and Ray Pierson

**Action on Minutes:** Carol Wood moved and John Hanks seconded to approve the April 11, 2013 Board Meeting Minutes. Passed 6/0

**Membership Report:** Carol Wood

- Jo Ellen and John M Dwyer purchased 361 S Palmer Drive from the Rhebe Greenwald Revocable Trust
- Llewellyn & Karen Bezanson purchased 81 Victoria Loop from Robert Bentley and Diane Pickering
- Robert & Margie Nelson were deeded lot 82-3 Ridge Drive by David Nelson
- Kenneth & Eleanor Frohning purchased 411 Colman Drive from Eric and Jean Harrington
- Joanna Freeland purchased 250 Victoria Loop from the Estate of Dixie Romadka
- Jounh & Peggy Tonan purchased 70 Dennis Blvd from Flagstar Bank

**Treasurer's Report:** Michael Smith

**TREASURER'S REPORT  
As of April 30, 2013**

<b>1</b>	Total cash and investments at month end were	<b>\$835,194</b>
	That amount is comprised of	
	General checking of	<b>93,308</b>
	General savings of	<b>31,503</b>
	Two petty cash accounts of	<b>600</b>
	and CDs and Money Markets totaling	<b>709,783</b>

**No new bank accounts were opened during April and all existing accounts have been reconciled and bank statements reviewed. The \$30,000 increase in total cash over the prior month can be traced to early receipt of second trimester assessments and fees.**

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- 2 The CDs and Money Markets are primarily Reserve accounts and include:

General Reserves	<b>\$137,974</b>
Water Reserves	<b>239,712</b>
Marina Reserves	<b>115,983</b>
Special Assessment - North Seawall	<b>216,114</b>

**Reflected in the above amounts are the final 2012 roll-overs with \$15,717 in General Reserves, \$39,481 to Water Reserves and \$11,454 to Marina Reserves.**

- 3 Regular accounts receivables, net of allowances are **\$3,666**  
 Receivables over 90 days, net of allowances are **1,459**

**Receivable balances are the subject of continuing attention and balances are being held to a normal and expected pattern.**

The Special Assessment Receivable outstanding is **\$71,138**

**Special Assessment collections are on target with only a small - \$1,578 - delinquency. In all cases, where the Special assessment is delinquent so to are the regular receivables.**

- 4 Year-to-date total net Revenue and Expenses (Net Income) of \$90,037 is favorable when compared to the original budget which projected Net Income of \$58,113 as of 4/30/13.

The variance is primarily attributable to:

- Receipt of \$16,324 in flood insurance proceeds;
- Collection of \$6,802 in in accounts previously thought to be uncollectible or "bad debts";
- Moorage and boat trailer parting fees nearly \$4,000 better than budgeted.

**General operations includes the flood insurance proceeds. It is expected these will be used to acquire replacment tools over the next several months so this variance will be offset by those purchases. Also of note is the fact that both lot mow income (\$3,500) and lot mow expense (\$3,000), originally budgeted for April have been delayed and will be reflected in May.**

**Water operations on a year-to-date basis continues to underperform expectations due largely to the water right litigation and continuing costs for completion of the Water System Plan.**

**Marina operations are on track and the current favorable (to budget) performance there should even out as nearly revenue for the year has been reflected.**

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**Manager's Report:** Art Burke

Drainage continues to be an issue around the workshop. On May 13<sup>th</sup>, two separate heavy rains resulted in the storm drains being overwhelmed and water rising to the level of entering the workshop. We will be exploring ways to redirect some of the water that sheets off the parking lot.

I met with Jim Johannessen from Coastal Geologic Services on site to review preliminary documents related to our shoreline protection project. It was interesting to note that aerial photographs from the 1960's to the present show a gradually receding shoreline edge along the area in front of the park and Clubhouse. A draft report and project design will be presented in the next two weeks.

It is always sad when we see a long time resident leave Cape George. It is particularly felt when they have been a significant part of guiding the community. This is the case with the departure of Jean Harrington. Jean has been a key member of the Finance Committee for many years and through many managers and treasurers. Through it all she has shared her expertise and knowledge as an accountant to be that second set of eyes that watches over the communities finances. On behalf of the Cape George Staff I would like to thank Jean for her many years of dedicated service on the Finance Committee.

Office Assistant Sharon Mitchel has been working on the following:

- Assembling data for the Water Committee to address question from the Department of Health for the Water System Plan.
- Learning the accounts receivable module of the TOPS system in the absence of a Bookkeeper.
- Further refining the use of our electronic lock system.

Miscellaneous projects taking place in the community include:

- Soft start drivers were installed on pumps 4 and 5 at the tank farm.
- The grass growing season is well underway which means the maintenance guys spend a lot of time mowing all the common areas, string trimming approximately 9 miles of roadway, monitoring required clearing of vacant lots, etc.
- The effort to eradicate Scotch Broom and Poison Hemlock is also underway, with maintenance staff working on removal on common areas.
- Rubber base molding has been installed in the pool changing rooms.
- Emergency exit lighting and signage has been replaced/installed in the pool and fitness room.

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

- Derelict vehicle complaint in the Village.
- Invasive plant complaint in the Village.
- Hedge complaint on Huckleberry.
- Report of a vehicle without a parking pass in the Marina area parking lot possibly removing large flat rocks from the shoreline.

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- Report of minor damage to Pickleball equipment stored in locked bin at Sports Court.

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Building, Environmental, Finance, Marina, Seawall and Water. The reports are attached to these minutes and incorporated by reference.

**Information Items**

- A. The Manager informed the Trustees that Jim Johannessen of Coastal Geologic Services had conducted a site visit on May 14 to review the site survey and various other documents collected as a part of the contract for developing a plan to protect our shoreline area. A draft report will be provided in the next 2 weeks and made available for comment. A progress report will be provided at next month's meeting.
- B. After discussion it was the Trustees recommendation that the Property Maintenance Committee move forward with revising the previously submitted draft rule dealing with property maintenance and resubmit at the June Study Session.
- C. The Manager, Treasurer and Finance Committee Chair will be reviewing proposals submitted in response to a request for proposal that was sent out to bookkeeping firms to provide service to the corporation. A report will be provided at the June Study Session.

Member Participation: None

**New Business Action Items**

**Motion 1:** John Hanks moved, Richard Hilfer seconded to approve a member request to allow a 10 year old to use the fitness room for medical reasons and only in the company of an adult family member.

After discussion John Hanks moved and Carol Wood seconded to defer this item to next month. Passed 6/0

**Motion 2:** John Hanks moved and Mike Smith seconded to approve the expenditure of \$4,459.50 for dock floats from KADKO USA, \$109.70 for hardware from Tacoma Screw and \$3655.00 for lumber from Arrow Lumber to continue the dock float replacement project in the Marina with fund to come from Marina Reserves. Passed 6/0

**Informational Item:** Mobilisa has proposed placing two small radio dishes on the clubhouse to provide broadband infrastructure to public safety facilities and the community. The Board requested that Mobilisa revise its lease agreement and resubmit it for consideration at the Board's May 21, 2013 Special Board Meeting.

**Motion 3:** Carol Wood moved and Penny Jensen seconded a resolution to transfer \$42.50 from Marina Reserves to General Investments Account and \$127.50 from special Assessment Account to General Investment Account for payment to MW Hillman Consulting for the Seawall Replacement Project. Passed 6/0

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**Motion 4:** Mike Smith moved and Penny Jensen seconded to ratify the entries submitted by the Finance Committee that will result in the consolidation of several asset categories on the Balance Sheet and a combination of two groupings on the depreciation lapse schedule. Passed 5/0/1

**Motion 5:** Penny Jensen moved and Ray Pierson seconded to act on the Finance Committee recommendation regarding reserve fund cash misapplication. Passed 6/0

- Transfer \$16,719 from General Reserves (1108-001) to Checking (1102-001)
- Transfer \$40,622 from Water Reserves (1108-022) to Checking (1102-001)
- Transfer \$30,942 from Marina Reserves (1108-023) to Checking (1102-001)
- Transfer \$38,504 from Checking (1102-001) to Ops Investment ("Savings" 1107-001)

**Motion 6:** Penny Jensen moved and Ray Pierson seconded to direct the manager to complete CAU insurance renewal forms and provide completed forms to authorized Trustee for signature and submission to insurance company. Passed 6/0

**Motion 7:** Ross Anderson moved and Carol Wood seconded to authorize the Workshop Committee Chair, Ken Owen, to work with the manager on expending funds received from the insurance claim for the repair and replacement of items damaged as a result of the flood. Passed 6/0

**Motion 8:** Ross Anderson moved and John Hanks seconded to approve nine due date adjustment requests from members for the May dues and assessments. Passed 6/0

**Open Board Discussion**

- The Board discussed the best way to structure next week's Special Board Meeting on Reserve Funding.
- Penny Jensen reported that Marina Day is getting bigger each year. Children attending last year were mostly grandchildren. We are hopeful more Cape George youth will participate this year. She will contact the Social Club for assistance with the event.
- It was decided that John Hanks would be the Board's point person for this year's Salmon Barbecue. John will coordinate the Board's efforts with the Social Club.
- Property maintenance at the abandoned home at 311 Victoria Loop was discussed leading to the realization there is no action the manager can take since there hasn't been a formal complaint. The ownership of the home is also in dispute which complicates this issue.
- We are targeting the reserve ballots to be mailed before the last week of July.

**Announcements:**

- A. Special Board Meeting – May 21, 2013, 7:00 P.M.
- B. Meet the Candidates – June 11, 2013, 2:00 P.M.
- C. Study Session – June 11, 2013 3:00 P.M.

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D. Board Meeting – June 13, 2013, 7:00 P.M.

**Adjournment:** John Hanks moved and Ray Pierson seconded to adjourn the Regular Board Meeting at 8:45 P.M.

Submitted by:

Approved by:

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Carol Wood, Secretary

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Richard Hilfer, President

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**BUILDING COMMITTEE MEETING**  
**April 26, 2013**

Building Permits Issued:

YLVA (TULLA) LJUNGBERG, 151 Spruce Dr, Village

Build a new single family residence.

Earthworks Permits Issued:

YLVA (TULLA) LJUNGBERG, 151 Spruce Dr, Village

Excavate for new home.

4-23-13 Building Committee met to look at plans submitted by Ylva Ljungberg.

4-26-13 Bob Frennett and I met to establish high point of grade at the foundation and verify setbacks.

**ENVIRONMENTAL COMMITTEE MEETING**  
**MAY 13, 2013**

- I. **CALL TO ORDER** – 9:05 A.M. by Kitty Rucker. Members present were Art Burke, Norma Lupkes, Robin Scherting, and Kitty Rucker.
- II. **APPROVAL OF MINUTES OF APRIL 8 MEETING** – The minutes were approved as printed.
- III. **FISCAL REPORT** – Have received \$728 in donations for Amy Brandon. The total amount in our account is \$1854.73 (Another \$30 was donated today.)
- IV. **OLD BUSINESS**
  - A. Seawall Task Force Plan. Bruce Candioto gave us a copy of the plan that has been sent to the Army Corp of Engineers for approval of the Seawall Project. Kitty shared the proposed plan with the committee. Art says that we should receive approval of the plan and be ready to start the project in about a month. There was an engineer here today to look at the area in preparation for finishing the plan.
  - B. Poison Hemlock picking – There was only one person who showed up to pick poison hemlock on the day planned. Steve Shapiro worked all that day cleaning out the ravine and the playground area. He did the shore area the next week. It took him two weeks to do it all. He did an amazing amount of work, and we should all thank him for his efforts.
  - C. Amy Brandon Memorial –
    1. Amount contributed so far to the fund is \$728.
    2. Cost of the Plaque was \$76.00
    3. Kitty passed around the plaque. It is black acrilstone which is not damaged by the sun or weather. Everyone liked the appearance.

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4. We discussed how it should be mounted and agreed that it will be mounted on the black plastic board used by the Marina in supporting docks. That will be set in cement at a slight angle so that it can be more easily viewed.
5. We will have it in place in the next week so that it will be ready for dedication on Memorial Day, at 5 P.M. just prior to the Memorial Day Pot Luck, at the Amy Brandon tree in the Colony mailbox area.
6. Kitty will put an article in the newsletter telling members about the dedication. Norma will see that it is also placed on the fliers that go out for the Memorial Day event.
7. Betty Hanks said that she would not prune the lilacs near Amy's memorial tree until later in the year. It is not a good idea to do this in the spring when they are blooming.

**V. NEW BUSINESS**

- A. Beach walk combined with Marine Science presentation on marine mammals.
  1. Chrissy McLean and Jamie Larding of the Marine Science Center would be willing to come out to Cape George to do the Annual Beach Walk on either Tuesday, June, 25 low tide is at 11:15 (-2.8') or on Tuesday, July 23, low tide at 10:30 (-2.4'). The committee chose the July 23 date.
  2. Kitty suggested that we combine this with the Marine Mammal presentation that they came to give in April. No one attended because it was a stormy night. The committee agreed that this was a good idea. We will have the presentation at 9:15 and the walk at 10:00. The committee agreed unanimously.
  3. We will provide coffee and breakfast rolls.
- B. Proposal by the Social Club that the Environmental Committee join with them for social events.
  1. We will combine our paper goods and materials and they will be shared for whatever events occur
  2. The Social Club will have a subcommittee that will help us with our Environmental events.
  3. The pancake breakfast in the fall and our dance in July will be shared with the Social Club. They will provide paper goods and people to help us with the events.
  4. The Social Club is changing its By-Laws to conform with this new organizational chart.
  5. It would be nice if member of the Environmental Committee would attend the Social Club Luncheon on May 28<sup>th</sup> at 11:30 to show support for these changes.
- C. Dance to raise funds for the Beach Project.
  1. Last Fall we had a dance to help raise funds for the Beach project. It was quite successful and re raised about \$300.
  2. We decided to have another dance this Summer, Saturday, August 24<sup>th</sup>, at 7 P.M. in the Clubhouse.
  3. We will ask people to bring hors d'oeuvres and to pay \$5.00 per person
  4. Jan Stone has said that she will provide the music if someone has an iPod that will hold the music. ***Ann Candioto: Jan said that you have an iPod. Would you let us use it for the dance?***
  5. Betty Hanks and Dean Shinn have agreed to do the decorations again.

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- D. Kitty will put the following articles in the June newsletter: Information on August dance to raise money for the beach project, information on the Annual Beach Walk, information on Amy's dedication, a thank you to Steve Shapiro and an article on where we need volunteers to help on community property.
  - E. Linda Sutton just emailed me to tell me that she has gotten the Rose to show the DVD of [salmonconfidential.ca](http://salmonconfidential.ca) on June 23 showing. It is an amazing film of the problems with fish farms. Try to see it if you can.
- VI. Adjournment. We adjourned at 10:05.

**Finance Committee Notes  
April 2013 Meeting**

Finance Committee held its regularly scheduled monthly meeting on Monday, April 15, 2013 at 9:30 a.m. in the Conference Room at the Office. The meeting was attended by B. Barnhart, J. Harrington. K. Krug, A. Burke, Manager and M. Smith, Treasurer.

**1. Updates**

- a. An updated was provided on the April Board actions that have financial implications. There were few changes from the Board's discussions at the April study session.
- b. Listing of judgments – the Manager provided the requested listing that had been obtained from the Clerk of Courts. There were no open judgments.
  - i. It was suggested that a review of a Judgment Listing be added to the other annual Board ratifications found in FIN09.

**2. March financials**

- a. There were no material issues on the March statements (emailed on 04/10/13).
- b. It was noted that the significant atypical balance in Bad Debt expense will likely be reclassified to a Prior Period Adjustment at year-end and a new account had been added to distinguish bad debts for debts voluntarily forgiven.
- c. Related discussions ensued concerning the timing of bad debt recognition in the case of bankruptcy judgments and the importance of dates for subsequent event disclosures in connection with issuance of audited statements.
  - i. An outline of timing and process for various bankruptcy circumstances will be provided by B. Barnhart at the next meeting.

**3. Final depreciation schedule clean-up**

- a. The final major component of the depreciation schedule clean-up that started nearly two years ago was reviewed. This piece is merely the consolidation of balance sheet accounts and the aggregation of two groupings on the depreciation lapse schedule itself.
- b. These changes impact the three categories of Water assets, consolidating to one and the two categories of Road assets, again consolidating to one).
  - i. The asset categories being consolidated were originally established during periods of major special assessments and no longer add value to presentation.
  - ii. In addition, the existence of multiple categories makes maintenance and reconciliation of the schedules more complicated.
- c. It was agreed that the original memo would be forwarded to the Board for its consideration at the May Board meeting as there is nothing controversial about this step.

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**4. Bookkeeping/Accounting services**

- a. Highlights of the brief introductory call made to three HOA management companies that use TOPS and who provide “accounting-only” services was provided.
- b. The major options for provision of accounting/bookkeeping services are:
  - i. Hire a fully competent accountant to perform all services in-house;
  - ii. Replicate the most recent scenario, i.e. some in-house/some contract services
    1. Local contract services; or
    2. Metropolitan contract services with significant TOPS experience;
  - iii. Remote management of the in-house TOPS system;
  - iv. Full out-sourcing with discontinuation of the accounting component of TOPS.
- c. There was extensive discussion concerning the risk of full-outsourcing. While not an irrevocable decision it is nearly so and should be entertained only with after careful consideration of short and long term benefits and drawbacks.
- d. It was suggested that until more data has been accumulated, all options should continue to be considered.
- e. An RFP covering Options b(iii) and b(iv) will be completed by 04/16/13.

**5. There was no other business.**

The next meeting is schedule for the May 20, 2013 at 9:30am.

**W-I-P (work-in-process; ongoing projects)**

- ( I) Modification to FIN02; FIN04; and FIN08 – new RCW for HOA reserves
- (II) Modification of FIN09 for additions to annual Board ratification objects.

**MARINA COMMITTEE MEETING**

**May 7, 2013**

Fifteen members were present.

Both Marina income and reserves status were discussed. It was noted that year-to-date income exceeds 2013 budget by \$760. It was also noted that the failure to move funds from the Marina Reserve account to the General Operating Account in past years, will result in a one-time \$30,000 withdrawal from Marina Reserves. Needless to say, this information was not received well.

Gary Rossow reported on the Seawall project as well as the permitting process. Coming up is a sediment sampling of the Marina basin as a precursor to obtaining a dredging permit. Marina personal can do the actual sampling, that will then be sent to a lab for analysis. This permit would be for a period of five years once granted. Presently, no funds have been budgeted for the dredging. Apart from that, dredging of the Marina entrance will occur June 23, 24, and 25.

The burners for the crab cooker are unusable due to rust. The availability of finding stainless steel burners in the 100,000 to 120,000 BTU range was discussed. Penny Jensen made the

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motion which was seconded by Gary Rossow, to authorize an expenditure of up to \$400 for the purchase of stainless steel burners with funds to come from the Marina Memorial fund. The motion passed with a unanimous vote.

Disposition of insurance claim proceeds, resulting from damages that occurred from the Dec. 17, 2012 flood, were discussed. The Marina Committee agreed on a list of items that needed to be replaced. The list will then go to the Community Workshop Committee for fine-tuning, additions, or deletions. The goal is to have a completed list with associated cost in front of Board members for the May 14 work/study session, so that we can begin replacing destroyed items.

Strategies for the Marina Sale to be held May 17 and 18 were discussed. Volunteers signed up for set-up, pricing, advertising, working the sales floor, and placement of signs.

**Minutes of the Cape George Seawall Task Force Meeting of  
May 3, 2013**

**Task Force Members:**

John Hanks	379-6572	johnthanks@wavecable.com
Paul Happel	379-9119	paul_happel_9@msn.com
Mike Heckinger	206-459-2233	mike@wcinsulation.com
Bruce Candioto	379-2563	<u><a href="mailto:brucandi@cablespeed.com">brucandi@cablespeed.com</a></u>
Gary Rossow	531-2737	rossowgary@yahoo.com
Dick Pool	379-4173	poolricharde@yahoo.com
Ben Fellows	379-4109	fellowship@olypen.com
Tike Hillman		mhillman@olypen.com
Art Burke	385-2208	manager@capegeorge.org

The Seawall Task Force Committee Meeting, was called to order by Bruce Candioto at 1:00 pm. Members in attendance were Paul Happel, Ben Fellows and Dick Pool, John Hanks and Seawall adviser Tike Hillman. Three members of the Cape George community also attended. Gary Rossow reported that the Joint Aquatic Resource Permit Application (JARPA) was submitted on October 26 2012. Approval was received from Jefferson County on January 28, 2013. An HPA Approval was received from the Washington Fish and Wildlife January 29, 2013.

The Corps of Engineers (COE) required the following additional information:

Updated Biological Evaluation

Basin Dredge Area Samples Analysis with sand grain size, carbon content and organic compounds.

Rock material volumes for riprap (436 Cubic Yards).

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Woody Vegetation Planting Plan to stabilize the edges of the area.

Core samples can be taken by Cape George people with a minimal amount of equipment, time and effort. The samples will be sent to a lab for analysis at a cost of approximately \$800.00. If the samples are acceptable an order to proceed will be issued. If the samples are not acceptable more analysis would be needed.

The biological evaluation, Woody Vegetation Plan and Marine Surveys and Assessments (MSA) was submitted April 26, 2013.

The COE would like to split the project up into two permits as follows:

1. Marina Maintenance which includes construction of the seawall, pilings, floats and decks.
2. Jetty, Sampling, basin dredging and sediment bypass.

Woody Vegetation Plan:

A woody vegetation plan and map was written and submitted with the JARPA with plants specified by the COE. Additional tweaking of the plan may take place at a later date.

Tike Hillman suggested the Seawall Committee start obtaining estimates from contractors on costs of construction and costs of lengths and quantity of the sheet pile materials. Tike will work up an estimate of the materials needed for the project and contact brokers for cost estimates and cost of riprap materials.

South Seawall:

If funding is available within this project the South Seawall should be looked at

for construction. If the South Seawall is constructed at a later date the cost of mobilization by the contractor would be approximately \$50,000. If the South Seawall is constructed with the North Seawall the only costs would be labor and materials.

The next meeting will occur on June 7, 2013 at 1:00 pm at the Cape George Club House. The meeting adjourned at 2:00 pm.

**CAPE GEORGE WATER ADVISORY COMMITTEE  
MEETING REPORT, MAY 14, 2013**

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The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Mike Smith, Board Liaison; and members Ed Skowyra, Scott James and Stewart Pugh.

1. Water rights status – Art had checked with Bill Clarke, attorney for our water rights negotiations with the Dept. of Ecology (DOE). Bill is waiting to receive updated water use information being prepared by Stewart Pugh, Greg Rae, Ed Skowyra and staff. Much of this information is also being prepared to address follow up questions from the Dept, of Health (DOH) as it relates to the Water System Plan. It was agreed that we would try to wrap up all of our information gathering and calculations on water usage and send to Bob Leach of NTI to send to DOH. The information would also be forwarded to Bill Clarke for discussions with DOE. Ed and Art will schedule a conference call with Bill on the following day to review the plan and address questions concerning a court case on the peninsula that may have bearing on our water rights.

2. Greg presented the Water Use Efficiency Annual Performance Report for 2012. In summary for 2012:

Total Water Produced	22,147,102 gallons
Authorized Consumption	20,726,663 gallons
Distribution System Leakage	1,420,439 gallons
Distribution System Leakage Percent	6.4%
Three Year Annual Average	4.3%

Customer Goal – To reduce water usage by 1% during the peak usage months of June through the end of September. Based on 2011 usage that would save 105,029 gallons in 2012 and 630,174 gallons over the six year proposal life of this goal. In 2012 during the months of June through September usage was down 707,733 gallons. That is a 7% reduction over 2011 usage.

3. Art said that Double D Electric has installed the ‘soft starter’ equipment for pumps 4 and 5. After installation, Chad Gresham from Gresham Well Drilling came out and adjusted the starters.

The next meeting will be on **June 4, 2013 at 5 pm at the Office.**

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

- A. Welcome
- B. Opening remarks on purpose and format of the meeting

**In Attendance:** Richard Hilfer, John Hanks, Carol Wood, Mike Smith, Ross Anderson, Penny Jensen, and Ray Pierson

**Old Business:**

**Motion 1:** Ray Pierson moved and Penny Jensen seconded to approve a proposal from Mobilisa (dated May 20) to place equipment on the clubhouse to provide broadband infrastructure to public safety facilities and the community and to approve the written agreement regarding the same in order to complete the project by the July 31 deadline. Passed 6/0

**Reserve Assessment Presentation:** Richard Hilfer

- A. Overview of reserve study requirements
- B. Results of Cape George member survey
- C. Difference between full funding vs. 75% of full funding projections
- D. Major issues raised
- E. The initial amount of the new reserve assessment
- F. Maintain three current reserve accounts or change to one consolidated reserve account for all Cape George property
- G. If we maintain three reserve accounts, should lots without a water connection contribute to the Water reserve
- H. Multiple lot owners
- I. Additional controls over reserve expenditures
  - 1. Membership approval process
  - 2. Revision to rule FIN 04

**Member Participation**

There was open discussion with member comments, questions, concerns, and suggestions on how we will handle Reserve Funding

**Announcements:**

- A. Meet the Candidates – June 11, 2013 2:00 P.M.
- B. Study Session – June 11, 2013, 3:00 P.M.
- C. Regular Board Meeting – June 13, 2013, 7:00 P.M.

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**Adjournment:** Mike Smith moved and John Hanks seconded to adjourn the Special Board Meeting at 8:30 P.M.

Submitted by:

Approved by:

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Carol Wood, Secretary

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Richard Hilfer, President

CAPE GEORGE COLONY CLUB  
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JUNE 13, 2013  
7:00 PM

President Richard Hilfer opened the meeting at 7:00 p.m.

- A. Welcome
- B. The ballot package for the election of two Trustees was mailed on Friday, June 7<sup>th</sup>
- C. There will be an Executive Session to discuss personnel issues immediately following the Board Meeting

**In Attendance:** Richard Hilfer, Carol Wood, Mike Smith, Penny Jensen, Ross Anderson and Ray Pierson. John Hanks was absent.

**Action on Minutes:** Carol Wood moved and Ray Pierson seconded to approve the May 16, 2013 Board Meeting minutes. Passed 5/0

Carol Wood moved and Ray Pierson seconded to approve the May 21, 2013 Special Board Meeting minutes. Passed 5/0

**Membership Report: Carol Wood**

- Michael Cohoon and Janice Proust purchased 42 Colman Drive from Mark & Linda Morris

**Treasurer's Report: Mike Smith**

**TREASURER'S REPORT  
As of May 31, 2013**

<b>1</b>	Total cash and investments at month end were	<b>\$883,454</b>
	That amount is comprised of	
	General checking of	<b>164,993</b>
	General savings (Ops Investment) of	<b>70,007</b>
	Two petty cash accounts of	<b>600</b>
	and CDs and Money Markets totaling	<b>647,854</b>

**A new bank account was opened at Wells Fargo, a banking institution previously authorized. The account was opened to hold the Ops Investment (savings) funds which has been returned to its \$70,000 balance.**

<b>2</b>	The CDs and Money Markets are primarily Reserve accounts and include:	
	General Reserves	<b>\$121,257</b>
	Water Reserves	<b>199,093</b>
	Marina Reserves	<b>85,000</b>
	Special Assessment - North Seawall	<b>242,504</b>

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Reflected in the above amounts are the cash correction adjustments with \$16,719 from General Reserves, \$40,622 from Water Reserves and \$30,942 from Marina Reserves.

- |   |   |          |
|---|---|----------|
| 3 | Regular accounts receivables, net of allowances are | \$13,491 |
|   | Receivables over 90 days, net of allowances are     | 5,718    |

Receivables over 90 days are of concern. There are 10 accounts responsible for nearly all this category and of the total, nearly \$1,500 is related to late fees and fines. Long past due accounts will continue to be problematic in the current economy.

The Special Assessment Receivable outstanding is \$42,203

There are a number individuals who have paid the remainder of the 2013 special assessment early. Unfortunately, there is also nearly \$1,600 that was past due as of May 31st.

- 4 Year-to-date total net Revenue and Expenses (Net Income) of \$210,358 is favorable when compared to the original budget which projected Net Income of \$170,562 thru of 5/31/13. By cost center, results are:
- General operations \$106,197 compared to the budget of \$70,943;
  - Water operations \$62,437 compared to the budget of \$62,929;
  - Marina operations of \$41,229 compared to a budget of \$37,140; and
  - Interest income on the reserve funds of \$495 which is budgeted.

General operations appear to be performing much better than budget but that is largely due to receipt of insurance proceeds and prior year collection activities. Contract services and pool expenses are two categories that must be closely monitored for the remainder of the year if year end targets are to be met.

Water operations, like general operations, are challenged by higher than budgeted costs in contract services although here it relates to legal fees and water system plan costs rather than accounting services.

Marina operations are on track with annual channel dredging budgeted for July.

06/11/2013

**Manager's Report:**

The first draft of the shoreline protection project has been received from Coastal Geologic Services. Information will be presented to the Trustees at the June 11<sup>th</sup> Study Session and has been made available to the membership in the Study Session packet. A price estimate of \$45,000 has been provided and a more refined one is being developed.

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I attended an Accounting Seminar for Managers that was presented by our auditor. Information presented included: moving toward a paperless office, audit and reserve studies, special assessments and loans, B&O taxes, etc. On my way to the seminar I assisted the Seawall Task Force by transporting sediment samples to a testing lab in Tukwila.

Replaced one of the refrigerators in the Clubhouse.

I met with a structural engineer at the workshop as a part of the flood damage that occurred on 12/17/12. He will be preparing a report for the insurance company.

With the assistance of Karen Krug and Sharon Mitchel, we conducted two interviews with potential Bookkeeping Clerk applicants.

I met with a representative from Mobilisa to review potential sites for installation of equipment at the Clubhouse for the wireless service being installed. A number of areas were considered and information collected will be evaluated for a final determination.

Office Assistant Sharon Mitchel has been working on the following:

- Learning the accounts receivable module of TOPS has been a priority over the last several weeks, including taking webinar classes and one-on-one training through TOPS.
- Preparing documents and materials for the elections mailing.
- Processed two new water connections.
- Provided support to the Marina Sale

Miscellaneous projects taking place in the community include:

- The replacement of the maintenance yard fence was completed through a cooperative project with a member.
- The second cycle of lot mows is underway.

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

- Report of a house prowler on Ridge Drive
- Report of a damaged wireless meter transducer
- Complaint of members discarding shrimp heads and bait in marina trash cans. Members are asked to dispose of these items in the water below the low tide mark.
- Complaint of dog off leash and causing property damage in the Highlands.
- Complaint of a member feeding raccoons in their backyard.
- Complaint of a car being parked in front a vacant lot.

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**Committee Reports:**

The following committee reports were submitted to the Board of Trustees: Building, Environmental, Finance, Marina, Seawall, Water and Workshop. The reports are attached to these minutes and incorporated by reference.

**Information Items:**

- A. The first draft of the shoreline protection project was presented to the Trustees for comment. After review the Trustees directed the Manager to make the documents available at the office for member comment. The proposed project is estimated to cost \$45,000. The Trustees requested the project be put on the Study Session agenda next month to review member input and discuss financing.
- B. After reviewing the updated draft property maintenance rule, the Trustees directed the Manager to publish it in the Newsletter for member comment and include on next month's Study Session agenda for discussion.
- C. An outline of a reserve structure document was presented by Richard Hilfer. He noted that amounts stated in the document should have been about \$100 higher (\$325 to \$375 per lot). After discussion, the Trustees directed the manager to pursue making updates to the three reserve studies to provide the Trustees more current information on future funding requirements. The Trustees will prepare a draft of a reserve recommendation to the members, including the initial amount of the new reserve assessment the funding of the three reserves and a provision for member approval of reserve project spending. This draft will be presented for discussion in July. The Trustees intend to make a reserve recommendation in July and then submit it for member approval.

**Member Participation:**

A member raised an issue and distributed comments re: jurisdiction (or lack thereof) to enact private property maintenance rules. After discussion the Trustees recommend moving the Property Maintenance discussion to July and not to publish the draft rule at this time.

**New Business Action Items:**

**Motion 1:** Michael Smith moved and Penny Jensen seconded to ratify new savings account at Wells Fargo Bank with account number ending in 4708. Passed 5/0

**Motion 2:** Penny Jensen moved and Richard Hilfer seconded to approve a member request to allow a 10 year old to use the fitness room for medical reasons and only in the company of an adult family member under specified conditions. Such approval is revocable at any time and for any reason. Passed 4/1

**Motion 3:** Ray Pierson moved and Penny Jensen seconded to accept the donation of two new barbecue grills from the Social Club. Passed 5/0

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**Motion 4:** Michael Smith moved and Ray Pierson seconded a resolution to transfer \$435.62 from Marina Reserves to General Investment Account and \$1306.88 from Special Assessment Account to General Investment Account for payment for the preparation of an addendum to the biological assessment by Marine Surveys & Assessments for the Seawall Replacement Project. Passed 5/0

**Motion 5:** Michael Smith moved and Carol Wood seconded to change wording in Motion 4 and 6 from General Investment Account to General Checking Account. Passed 5/0

**Motion 6:** Penny Jensen moved and Michael Smith seconded to transfer \$5,197.94 from Water Reserves to the General Investment Account for payment to Double D Electric for the replacement of two pump soft starts at the tank farm. Passed 5/0

**Open Board Discussion:**

The Trustees asked Manager, Art Burke, to follow up with signatory on our bank accounts.

**Announcements:**

- A. Study Session – July 9, 2013, 3:00 p.m.
- B. Board Meeting – July 11, 2013, 7:00 p.m.
- C. Annual Membership Meeting – July 20, 2013, 2:00 p.m.
- D. Special Board Meeting – July 20, 2013, 3:00 p.m.

**Motion 7:** Penny Jensen moved and Ray Peirson seconded to adjourn the meeting to Executive Session for the purpose of discussing a personnel matter. Passed 5/0

**Motion 8:** Michael Smith moved and Ray Pierson seconded to resume the regular board meeting. Passed 5/0.

**Adjournment:** Carol Wood moved and Ross Anderson seconded to adjourn the Regular Board Meeting. Passed 5/0. The meeting was adjourned at 8:20 p.m.

Submitted by:

Approved by:

\_\_\_\_\_  
Carol Wood, Secretary

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

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**Committee Reports**

**Building Committee**  
**June 1, 2013**

*Building Permits Issued:*

Bonnie Blossom & Fran Ford: 191 S Palmer, build a shed

*Earthworks Permits Issued:*

Bonnie Blossom & Fran Ford: 191 S Palmer, extend width of driveway.

Stanley & Marlene Kropf: 171 Hemlock, excavate & pour a concrete slab.

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**Environmental Committee**  
**JUNE 10, 2013**

- I. **CALL TO ORDER** – The meeting was called to order at 9:15 by Kitty Rucker. Minutes were taken by Penny Jensen.
- II. **MEMBERS PRESENT:** Art Burke, Gretchen Cooper, Dennis Fellner, Jim Fling, Penny Jensen, Steve Shapiro, and Dean Shinn.
- III. **APPROVAL OF MINUTES** – The minutes were approved unanimously as corrected.
- IV. **FISCAL REPORT** – The total amount in our account is \$1985.76
- V. **OLD BUSINESS**
  - A. Report on the Dedication of Memorial Plaque for Amy Brandon
    1. About 20 members attended the dedication of the Amy Brandon Memorial Plaque.
    2. Dick Poole installed the plaque with help from the Marina Committee.
    3. The dogwood bloomed beautifully for the occasion.
  - B. Volunteer List
    1. The common area at the corner of Ridge on the firehouse side will be maintained & watered by Ron and Jayn Hanson.
    2. Dean Shinn will maintain the area going all around the Clubhouse.
    3. The only common areas that do not have a volunteer to maintain them are: the area to the top of the ravine trail in Huckleberry, The area at the top of the ravine trail at the Village, and the mailboxes at the entrance to Huckleberry.
  - C. Environmental Committee Dance on August 24, at 7 P.M. at the Clubhouse.
    1. People will be asked to donate \$5.00 to the establishment of the berm at the beach to save our community buildings.
    2. They will also be asked to bring an hors d'oeuvre and their own beverages.
    3. Dean, Pat, Betty and Kitty will work on decorations.
  - D. Beach Walk – July 23, at 9:30 A.M.
    1. The Marine Science Center personnel will introduce the program and lead the beach walk.
    2. The committee authorized Kitty to purchase treats.
  - E. Lilac discussion will be deferred until the July meeting when Betty will be back.
  - F. Report on Beach Plan proposed by engineers.
    1. Art told us that the plan is to have a berm that will be 4-5 feet tall. It will run from the current berm on the north side of the entrance to the marina down to the high bank on the north end of the beach.
    2. The plan will be available on line, in the June newsletter and a hard copy can be obtained at the office.
    3. The proposed cost of the project including labor and materials will be 45,000.

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4. 4 Kitty suggested that we put a request in the newsletter for our members to donate to this project.
5. The Environmental Committee is working to raise money to assist in this project.
6. This project will be discussed at the Study Session.

**VI. NEW BUSINESS**

- A. Summer Meetings – There will be no meeting in July, unless an important issue arises that necessitates our meeting.
- B. Temporary Chairperson is needed to cover for Kitty while she is away in January and February. We will discuss this at our August Meeting.
- C. Raccoon Article for the newsletter – Dean Shinn will provide Kitty with information for this article.
- D. The Rose Theater will be showing *The Salmon Confidential* movie on June 23, at 11 A.M. The show is free. Call the Rose at 385-1089 for tickets or buy at the box office. This is a film about the dangers of fish farms.
- E. A big thanks to Steve Shapiro for his hemlock eradication efforts.

- VII. ADJOURNMENT** – the meeting was adjourned at 10:05.

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**Finance Committee  
May 21, 2013**

Finance Committee held its regularly scheduled monthly meeting on Monday, May 21, 2013 at 9:30 a.m. in the Conference Room at the Office. The meeting was attended by B. Barnhart, G. Semick, K. Krug, A. Burke, Manager and M. Smith, Treasurer.

- 1. Updates**
  - a. An updated was provided on finance related action items from the May Board meeting.
  - b. The group was reminded of the upcoming Special Board Meeting to discuss Reserves.
- 2. April financials** –were mailed on 05/14/13. The April statements reflect the final 2012 year end roll overs. Also included in April results were the receipt of flood insurance proceeds.
- 3. A bankruptcy** outline setting forth processes and procedures CGCC should follow in dealing with these transactions was distributed by B. Barnhart. There was discussion regarding the use of the outline and the importance of keeping this, and other critical operational information, accessible to management personnel.
- 4.** The status of **Bookkeeping/accounting services** was discussed. An overview of the review of RFP responses was provided by M. Smith. He stated that the two proposals received were both quite deficient in responding to the specifics of the RFP. Based on that it has been decided to pursue other alternatives not involving out-sourcing.
- 5. Other business**
  - a. There was a brief discussion of the insurance package and renewal rates. The Manager is proceeding with the formal application submission.
  - b. Modifications to FIN09 will be put on the June agenda.
  - c. Modification to FIN02 will also be put on the June agenda.
  - d. The status of the Finance Committee and the future plans of members were discussed.

The next meeting is scheduled for 9:30am, June 17, 2013 in the Office conference room.

**W-I-P (work-in-process; ongoing projects)**

- ( I) Modification to FIN02; FIN04; and FIN08 – new RCW for HOA reserves
- (II) Modification to FIN09 – annual ratifications

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**Marina Committee**  
**June 4, 2013**

Thirteen members were present including Manager, Art Burke.

Tom Ramsey reported that our good members in excellent standing, Ted Mills and Carol Schlect, withstood the terrible beating from recent tornados that have ravished Oklahoma. Both Ted and Carol have children that live near the path of those storms in Oklahoma, and that there were no losses.

Marina Committee Chair, Tom Ramsey, reported that the Marina Sale's net profit totaled \$3,651. Proceeds will go towards additional safety equipment and the newly voted upon CAPE GEORGE WATERFRONT FESTIVAL. Both the name change from "Marina Days" and replacement of stolen life rings were unanimous.

The name change motion from MARINA DAYS to CAPE GEORGE WATERFRONT FESTIVAL was made by Gary Rossow and seconded by Ben Fellows (Penny Jensen developed the name change idea). The vote was unanimous in favor.

The motion to replace stolen life rings was made by Ben Fellows and seconded by Thad Bickling. The vote was unanimous in favor. Thad Bickling will see to the replacements.

As reported earlier in this report, the new CAPE GEORGE WATERFRONT FESTIVAL will take place on August 17, 2013. It was noted that the Social Club is encouraging Cape George Committees to plan monthly events. The Marina Committee is committed to the month of August every year. In return, the Social Committee will provide public relations and labor for our event. Penny Jensen and Gary Rossow will coordinate the public relations. It was agreed that sooner rather than later would be appropriate with regards to letting our members know they've got a free BBQ with beverages event.

There were a lot of suggestions regarding how to advertise the biggest boating event of the year. Harbormaster, Mac McDonald is looking into the expense of an overhead banner that we could put on entrances to our community.

Assignments were made with regards to the CAPE GEORGE MARINA FESTIVAL:

Tom Ramsey	Beverages
John Hanks	Beverages
Penny Jensen	Boat (open) House
Gary Rossow	Regatta Coordinator
Penny Jensen	Coordinate with Social Committee with PR
Gary Rossow	Coordinate with Social Committee with PR
Thad Bickling	Food

The Committee agreed (without a vote) to provide \$100 as a prize for the Regatta winners to be held on the same date as the festival.

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Thad Bickling announced that an Emergency Preparedness picnic will be held by the Jefferson County Emergency Preparedness group at H.J. CARROLL PARK on August 8<sup>th</sup>. This will be a gathering of all Emergency Preparedness committees county-wide.

Mac McDonald and Pal Happel will coordinate the placement of "NO PARKING" signs with Manager, Art Burke, to be located at the South Marina parking lot. Hopefully, these signs will enable boat owners access to their assigned and paid-for parking slots

Gary Rossow reported on the progress of the Marina permits application process. So far, Northwest Marine Fisheries has given us their blessings. Army Corp. of Engineers is next. By prior arrangement, soil samples obtained by our own Marina personnel have been extracted and will be sent on to the designated laboratory for analysis and reporting.

There were concerns regarding pot-holes on the driveway leading to the South parking lot. Mac McDonald explained that it would be more efficient to re-grade the roadway and proceed with an overlay later, since any filler material now would simply erode away in short time.

Gary Rossow announced that the annual dredging of the marina entrance will occur on June 24 & 25. Dick Poole volunteered to oversee the project.

End of Report.

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**Seawall Task Force**

**June 7, 2012**

**Draft Minutes**

**Task Force Members:**

John Hanks	379-6572	<a href="mailto:johnthanks@wavecable.com">johnthanks@wavecable.com</a>
Paul Happel	379-9119	<a href="mailto:paul_happel_9@msn.com">paul_happel_9@msn.com</a>
Mike Heckinger	206-459-2233	<a href="mailto:mike@wcinsulation.com">mike@wcinsulation.com</a>
Bruce Candioto	379-2563	<a href="mailto:brucandi@cablespeed.com">brucandi@cablespeed.com</a>
Gary Rossow	531-2737	<a href="mailto:rossowgary@yahoo.com">rossowgary@yahoo.com</a>
Dick Pool	379-4173	<a href="mailto:poolericharde@yahoo.com">poolericharde@yahoo.com</a>
Ben Fellows	379-4109	<a href="mailto:fellowship@olypen.com">fellowship@olypen.com</a>
Tike Hillman		<a href="mailto:mhillman@olypen.com">mhillman@olypen.com</a>
Art Burke	385-2208	<a href="mailto:manager@capegeorge.org">manager@capegeorge.org</a>

The meeting was held in the CG Clubhouse and was called to order by Bruce Candioto at 1 pm. Bruce Candioto, Gary Rossow, Mike Heckinger, Ben Fellows, Dick Poole and Tike Hillman were present.

Two corrections to the May minutes were accepted. Gary was in attendance. Dick Poole reported an error in his email address. His correct address is listed above. Gary moved and Dick seconded a motion to approve the minutes as revised. Unanimously approved.

Gary reviewed the status of our permit application. It is in progress and proceeding well. The National Marine Fisheries has sent a letter to the Army Corps indicating approval. The National Fish and Wildlife Agency still has the application under study. Samples have been taken of sediment in the proposed basin dredge areas per instructions from the Corps Office of Dredge Management and were being delivered to a Tukwila test lab by Art Burk on May 7. Results are expected in about two weeks at a cost of \$280. The results of these tests will determine the need, if any, for further testing. Gary noted that through our volunteer work the sediment sampling and test cost has been reduced from a bid cost of \$10,000 to \$280.

No schedule is available for permit issuance but there is hope for action in a month or so.

Tike Hillman reported that contractors are reluctant to discuss prices until we have the final permit. He reviewed an equipment mobilization and construction plan that will allow the use of smaller equipment at a reduced cost. The marina entrance channel would be restricted to about half width for up to two weeks under this scheme if the south wall is included in the project. MC Squared is providing several sheet steel specification options to allow a wider search for used sheet steel pilings. Mike offered to contact sources in FL to see what they might have available.

The next meeting is set for July 12 at 1 pm in the clubhouse. Dick Poole has offered to take the minutes.

Ben Fellows

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JUNE 13, 2013  
7:00 PM

**Water Advisory Committee**  
**June 4, 2013**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Mike Smith, Board Liaison; and members Ed Skowyra, Scott James and Stewart Pugh.

1. Water rights status – nothing new to report.
2. Water Reserves discussion – a motion was made to recommend to the Trustees that the Water Reserves remain separate from the other reserves. After discussion a vote of 4 – Yes, 0 – No occurred.
3. Water System Plan update – Stewart presented the combined results of calculated data from monthly pump meters and house meter readings. This information was compiled in both chart and graph formats. The next step will be for Ed to prepare the documents for submission to Health for inclusion in the Water System Plan. This should occur in the next 10 days. The information developed will also serve as a valuable tool in our discussions with Ecology over water rights.
4. A six pack of meters has been ordered as we are preparing to use the last one on the shelf and are anticipating a few new builds in the community this year.

The next meeting will be on **July 2, 2013** at 5 pm at the Office.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JUNE 13, 2013  
7:00 PM

**Workshop Committee**  
**June 5, 2013**

The meeting was held on the first Wednesday of the month at 9:00 AM June 5, 2013 in the Cape George Workshop.

The following attended Art Burke, Manager, Ken Owen, Chair, and four Committee members

**Decisions Made at meeting**

1. Replace lighting in the shop with fluorescent or led bulbs? It was decided to replace the existing fluorescent fixtures with 4' fluorescent fixtures.
2. Any wiring work done in the shop will be done by a licensed electrician.
3. We have started to purchase replacement items this will continue in the coming months.
4. Mac will look into purchasing of Dewalt replacement tools, and will try to set up an account with Dewalt to make purchasing of equipment easier for Art.
5. John Hanks was assigned the tasks, select End Mill, Duct work for vacuum system and selection of air filters for the shop.
6. Mac will look into a method of protecting the shop from flooding during heavy rain.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JULY 11, 2013  
7:00 PM

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

- A. Welcome
- B. Reminder that July 18, 2:00 p.m. is the deadline for submitting ballots for the Trustee election
- C. This is the last Board Meeting for John Hanks and Mike Smith. They were thanked for their service to Cape George.
- D. There will be a Special Board Meeting for the purpose of Officer election and committee liaison assignments will be held July 20<sup>th</sup> following the Annual Meeting.

**In attendance:** Richard Hilfer, John Hanks, Carol Wood, Mike Smith, Ross Anderson, Penny Jensen, and Ray Pierson

**Action on Minutes:** Carol Wood moved and Ray Pierson seconded to approved June 13, 2013 Board Meeting minutes. Passed 6/0

**Membership Report: Carol Wood**

- Philip & Beth Spooner purchased 561 Saddle Drive from Byron & Keri Marks
- Bank of America assumed ownership of 60 Alder and Lot 64-4 Alder from Jean Klein
- Robert Altman & Lisa Flanders purchased 151 N Palmer from Betty Linneman
- John & Irene Sandberg purchased 30 E Rhododendron from Robert Starkey
- Wayne & Joanne Meginnnes purchased 31 Vancouver Place from 31 Vancouver Place LLC
- Terri Lynn Brown purchased 320 Dennis Blvd from Robert & Jean Earl

**Treasurer's Report: Mike Smith**

**TREASURER'S REPORT  
As of June 30, 2013**

<b>1</b>	Total cash and investments at month end were	<b>\$855,669</b>
	That amount is comprised of	
	General checking of	<b>139,544</b>
	General savings (Ops Investment) of	<b>70,008</b>
	Two petty cash accounts of	<b>600</b>
	and CDs and Money Markets totaling	<b>645,518</b>

**All existing bank accounts have been reconciled through June 30. No new accounts were opened during the month. Currently the corporation maintains accounts at Kitsap Bank, J/P Morgan Chase Bank, Wells Fargo and Peninsula Credit Union.**

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JULY 11, 2013  
7:00 PM

- 2 The CDs and Money Markets are primarily Reserve accounts and include:

General Reserves	\$121,352
Water Reserves	194,047
Marina Reserves	84,630
Special Assessment - North Seawall	245,489

**Reserve funds are held primarily in Cdsat Peninusla Credit Union. The Special Assessment funds are held in a Money Market account at Wells Fargo Bank.**

- 3 Regular accounts receivables, net of allowances are \$10,783  
 Receivables over 90 days, net of allowances are 2,298

**Current receivables are high. About one-third of the amount is due to current Lot Mow fees (\$3,000) which should clear within the next 30 days. Most of the remainder can be traced to a handful of individual accounts.**

The Special Assessment Receivable outstanding is \$40,789

**There are \$3,123 in delinquent special assessment payments nearly all of which is traceable to the same handful of accounts mentioend above.**

- 4 Year-to-date total net Revenue and Expenses (Net Income) of \$168,571 is favorable when compared to the original budget which projected Net Income of \$138572 thru 6/30/13. By cost center, results are:
- General operations \$78,897 compared to the budget of \$51,425;
  - Water operations \$49,752 compared to the budget of \$52534;
  - Marina operations of \$39,096 compared to a budget of \$34,613; and
  - Interest income on the reserve funds of \$825 which was not budgeted for the year.

**General operations is performing ahead of budget expectations due largely to the receipt of \$16,000 in insurance reimbursement and collection of \$5,800 of accounts previsouly thought to be uncollectible. Without these two items, performance would be nearly identical to budget. Water operations are lagging their original budget target due mostly to additional costs for the water system plan and water rights litigation. It is unlikely that water operations will achieve its budget target by year end. Marina operations are performing slightly ahead of the year-to-date budget expectations. Annual dredging was budgeted to occur in July so operations should continue to track favorably.**

07/05/2013

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JULY 11, 2013  
7:00 PM**

**Manager's Report: Art Burke**

On July 3, Trustee Penny Jensen and Environmental Committee Chair Kitty Rucker joined me on a trip to Blakely Island to view a shoreline protection project similar to the one proposed for our community. Overall the berm looked very natural and blended in with the surroundings well. The HOA Caretaker had been there for several years and described that even during the strongest storms very little change was observed along the shoreline.

The second quarter reconciliation of Clubhouse rentals has been conducted and is being presented for Trustee approval. A total of 6 reserved events occurred during the second quarter with 4 being rentals for private functions and 2 were non-fee reservations – 1 memorial and one open to the community event. A total of \$507.50 in fees was charged. A similar reconciliation is underway for the Marina and will be presented at the August Board Meeting.

Over the last several weeks I have worked with Treasurer Mike Smith and Finance Committee Chair, Karen Krug on determining the best direction for accomplishing accounting services for the corporation. This has included requesting proposals from businesses that specialize in providing complete accounting service and also conducting a search for applicants in our area with bookkeeping skills. After evaluating the options we made the decision to move toward hiring a bookkeeper to fulfill a part of our accounting responsibilities. We are pleased to announce the hiring of Sally Lovell as the organizations new Bookkeeping Clerk. She comes to us with a broad range of experience and is well versed in all of the responsibilities of the job. In addition we will be increasing the responsibilities of Office Assistant Sharon Mitchel to include a part of the accounting services.

On June 12<sup>th</sup>, I met with members of the Workshop and Marina Committee to accompany a consultant from U.S. Forensic on a site visit of the Workshop. During the initial investigation of the damage caused by the December 17<sup>th</sup> flood, the claims adjuster requested a structural engineering assessment be performed on the workshop building. We haven't received a report of their conclusions as of this date.

Office Assistant Sharon Mitchel has been working on the following:

- Continuing to learn the Accounts Receivable module of TOPS, most recently tackling the Panini check scanner.

Miscellaneous projects taking place in the community include:

- In the last 60 days three new water connections have been made in the community for pending new home construction. It is interesting to note that no new meters were installed in all of 2012.
- When not mowing grass the Caretakers are continuing the effort to organize and clean storage areas, such as the barn, maintenance garage and office storage.

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

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JULY 11, 2013  
7:00 PM**

- Complaints of dogs off leash in the Village and Highlands
- Several property maintenance complaints in the Village
- Report of a hornets nest by the bench near the playground
- Two complaints of exterior lighting in the Village
- Complaint of a junk vehicle in the Village
- Several complaints of invasive plants in the Colony
- Complaint of an open fire in the Village

In addition to the written report provided, the Manager introduced Sally Lovell, our new Sr. Bookkeeper. Sally has been working closely with our Accountant from Clarity and also with Karen Krug, Finance Committee Chair.

**Committee Reports**

The following committee reports were submitted to the Board of Trustees: Building, Finance, Marina, and Workshop. The reports are attached to these minutes and incorporated by reference.

**Information Items**

- A. The Trustees decided to defer the decision of adding an additional financial institution to invest Cape George funds to the August meeting.
- B. The property maintenance regulation was discussed and it was felt that a legal opinion from an attorney that specializes in common interest association law was needed the Trustees asked Richard Hilfer and Art Burke to gather information to be presented at the August meeting concerning the cost of an opinion from an attorney and whether money is available in this year's budget.
- C. The Trustees directed the Manager to publish the proposed changes to Cape George rule FIN02 Annual Budget in the August newsletter as presented by the Finance Committee and place on the August agenda for discussion.
- D. The Trustees directed the Manager to publish the proposed changes to Cape George rule FIN08 Critical Accounting Policies – Required Annual Review section in the August newsletter as presented by the Finance Committee and place on the August agenda for discussion.

**Member Participation**

A member thanked the Board for continued conscientious work on the Reserves. Another member asked how we arrived at the reserve numbers. It was noted that reserve amounts have decreased from the initial RDA estimates because of Cape George's level of volunteerism.

**New Business Action Items**

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JULY 11, 2013  
7:00 PM

**Motion 1:** Mike Smith moved and Penny Jensen moved to accept Clubhouse reconciliation report as provided by the Cape George Manager. Passed 6/0

**Motion 2:** Penny Jensen moved and Ray Pierson seconded to approve the shoreline protection project as submitted by Coastal Geologic Service to allow them to proceed with acquiring permits from Jefferson County. Passed 6/0

**Motion 3 & 4:** Carol Wood moved and John Hanks seconded to approve the surface water drainage plan as prepared by Gary Rossow and Mac McDonald to allow the Manager to proceed with acquiring permit from Jefferson County. There was discussion regarding the flow volume capacity of the proposed pump and related issues. Mike Smith moved and Ray Pierson seconded to defer the surface water drainage plan issue to the August session. Passed 6/0

**Motion 5:** Ray Pierson moved and John Hanks seconded to approve payment to Shearer Excavation in the amount of \$8,823.68 for Marina Channel dredging. Passed 6/0

**Motion 6:** Ross Anderson moved and Carol Wood seconded to approve the request of Steve Shapiro to provide flu shots by Safeway Pharmacy staff at the Clubhouse at a date to be determined in September or October. Passed 6/0

**Motion 7:** Penny Jensen moved and Mike Smith seconded to approve a Resolution to transfer \$106.25 from Marina Reserves to General Checking Account and \$318.75 from Special Assessment Account to General Checking Account for consulting services by MW Hillman Consulting for Seawall Replacement Project. Passed 6/0

**Motion 8:** Penny Jensen moved and Mike Smith seconded to recommend a reserve assessment of \$350 per lot to be voted upon by the membership. Passed 5/1

**Motion 9:** Rich Hilfer moved and Carol Wood seconded to adopt the document "Reserve Recommendation to Cape George Colony Club Members" as the board's recommendation to the members, to submit a ballot on items I and II from that document allowing members to either approve both or disapprove both and to provide members with written comparisons on how the proposed reserve assessment would differ from current assessments and fees. Passed 6/0

**Open Board Discussion:**

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JULY 11, 2013  
7:00 PM

It was announced that the Finance Committee is in need of new members. The committee is required to have 3 members per its charter. 2 current members have resigned and another sold her Cape George property.

The Waterfront Festival is scheduled for August 17<sup>th</sup>. In addition to the sailboat regatta, there will be open boat viewing in the morning, exercise demonstrations in the swimming pool, boat rides around discovery bay, activities for the Cape George children and grandchildren plus a barbecue hosted by the Marina Committee.

The Board discussed final details for this year's Salmon Barbecue.

**Announcements:**

- A. Annual Membership Meeting – July 20, 2013 2:00 p.m.
- B. Special Board Meeting – July 20, 2013, 3:00 p.m.
- C. Study Session – August 13, 2013, 3:00 p.m.
- D. Board Meeting – August 15, 2013 7:00 p.m.

**Adjournment:** Ray Pierson moved and John Hanks seconded to adjourn the Regular Board Meeting at 8:40. Passed 6/0

Submitted by:

Approved by:

\_\_\_\_\_  
Carol Wood, Secretary

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

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JULY 11, 2013  
7:00 PM

**COMMITTEE MINUTES**

**Building Committee  
July 1, 2013**

*Building Permits Issued:*

STANLEY & MARLENE KROPF: 171 Hemlock Dr – Village – build a new single family residence

HAMILTON HAZELHURST: 153 Marina Dr – Colony – build an addition onto existing residence

*Earthworks Permits Issued:*

Stanley & Marlene Kropf: 171 Hemlock Dr – Village – excavate for new home

Hamilton Hazelhurst: 153 Marina Dr – Colony – excavate for addition

Allan Souigny / Roberta McCollum – Fir Pl, Div 3 Lot 64, Village, excavate to install septic tanks

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JULY 11, 2013  
7:00 PM

**Finance Committee**  
**June 17, 2013**

Finance Committee held its regularly scheduled monthly meeting on Monday, June 17, 2013 at 9:30 a.m. in the Conference Room at the Office. The meeting was attended by B. Barnhart, G. Semick, and K. Krug.

**1. Updates**

- a. An update was provided outlining the formal actions from the June 2013 Board meeting that have financial implications.
  - b. The current status of bookkeeping/accounting services was discussed. Management decisions include the assignment of additional bookkeeping responsibilities to the current Office Assistant and hiring of a part-time external Senior Bookkeeper to complete monthly financial statements and related information. Payroll will be outsourced to a professional service such as ADP.
- 2. May financials** - A brief discussion of May financials occurred. While the statements are fairly clean, there were a few issues including an uncompleted bank reconciliation and the opening of a bank account prior to formal Board approval. The consolidation of asset and accumulated depreciation accounts was also discussed with a comment that the title to an accumulated depreciation account still needed modification.
- 3. FIN 08**
- a. After review and discussion it was decided to recommend that the Board add the following items to the "Required Annual reviews" section of FIN08:
    - i. An annual corporate report as required by RCW 24.03;
    - ii. Annual verification of accounts held by any and all financial institutions; and
    - iii. Annual ratification of authorized banking signatories for any and all financial accounts; and
    - iv. Annual ratification of the required reserve disclosure statements as required by RCW 64.38.
  - b. A final copy of revised FIN08 will be circulated to the Committee prior to distribution to the Board.
- 4. FIN02** – After review and discussion it was decided to provide, under separate cover, a formal recommendation for changes to FIN02. A final copy of revised FIN02 will be circulated to the Committee prior to distribution to the Board.
- 5. Other business** – there was no other business.

The next meeting will be Monday, July 15, 2013 at 9:30am in the office conference room.

**W-I-P (work-in-process; ongoing projects)**

- ( I) Modification to FIN04 (&/or by-law changes); for new RCW for HOA reserves

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JULY 11, 2013  
7:00 PM

**MARINA COMMITTEE REPORT**  
**July 2, 2013**

Eighteen members were present as well as Manager, Art Burke.

The venue for future Marina Committee meetings was discussed, since other Community Workshop users felt compelled to remove the rectangular work table from the meeting area, as well as chairs. These actions changed the desirability of the workshop as a place to hold our monthly meetings. Utilizing the club house was discussed, since it had plenty of tables and chairs. A motion was made by Jack Scherding and seconded by Galen Peterson that the Marina Committee make a recommendation that we restore the existing table that was removed and that 12 additional chairs be purchased, to be paid for by funds from insurance proceeds resulting from the Dec. 17, 2012 loss. The motion passed with 15 voting for, 2 abstaining, and 1 against. John Hanks volunteered to search for some surplus chairs from Boeing. A suggestion was later made by Dick Poole that the Committee could still use the club house in the event of a larger than usual turn out for the monthly meeting.

In another furniture matter, Ken Owen made a motion, which was seconded by Dick Poole, that we remove a large chair from the work shop that we were unable to sell at the Marina sale. The motion passed with a unanimous vote for the removal.

Thad Bickling will continue to work on procuring 3 life rings, to replace those that were stolen from the Community Workshop.

Mac McDonald and Paul Happel will continue to follow up with Manager Art Burke for the procurement of "No Parking" signs for the South Parking lot.

Since the flag pole was removed in anticipation of the North Seawall project, and much-needed repairs, John Hanks suggested that a "Wind Sock" be installed enabling sailors to determine wind direction. Carl Schwersinske volunteered to do a search for the item.

Art Burke reported that all the approvals and permits for the North Seawall project are in. All that remains is the publishing of specifications to be distributed to potential bidders. At best, later in the Fall was discussed as the probable time to complete the project.

Dick Poole and Art Burke reported that the final bill for the annual Marina dredging was \$2,000 under budget. The dredging contractor reported that he removed over 1,000 cubic yards of material. This was more than previous years.

Committee Chair Tom Ramsey sought assurances that volunteers for food, beverages and advertising were all on track for the annual Cape George Waterfront Festival to be held August 17. Final preparations will be made at the August 6 Marina Committee meeting.

End of report.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JULY 11, 2013  
7:00 PM

**Workshop Meeting  
July 3, 2013**

The meeting was held on the first Wednesday of the month at 9:00 AM July 3, 2013 in the Cape George Workshop.

The following attended John Hanks, Board Liaison, Ken Owen, Chair, Committee members Scott James, Mac McDonald, Paul Happel, Carl Schwersinske, Jack Scherting, Brian Ritchie

**Decisions Made at meeting**

**1. Shop Purchases**

Manager Art Burke will make all shop purchases after approval from Ken Owen. **There will be no exceptions!**

**2. Replace Table**

John Hanks will get cost information for stools and a new base to replace the old table in the front kitchen area of the shop.

**Thanks this month to**

**Mike Heckinger**, for the donation of materials to the shop.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JULY 20, 2013  
3:30 PM

**President Richard Hilfer called the meeting to order at 3:30 p.m.**

**In Attendance:** Richard Hilfer, Carol Wood, Ross Anderson, Penny Jensen, Karen Krug and Ray Pierson

**Election of Board Officers:**

**Motion 1:** Carol Wood moved and Penny seconded to re-elect Richard Hilfer as President. Passed 5/0

**Motion 2:** Ray Peirson moved and Carol Wood seconded to elect Ross Anderson as Vice President.  
Passed 5/0

**Motion 3:** Ray Pierson moved and Karen Krug seconded to elect Carol Wood 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:** Penny Jensen moved and Carol Wood seconded that beginning in 2014 the assessments/fee schedule will be collected quarterly (rather than 3 times a year as is current practice). Passed 5/0

The calendar for 2013-2014 was accepted as presented to the Board.

The dates for the August meetings were set:

- Study Session – August 13, 3:00 p.m.
- Board Meeting –August 15, 7:00 p.m.

Setting a date for an upcoming Board Member training session was deferred.

New Board liaisons were chosen for each of the committees.

- Building & Marina – Ross Anderson
- Election – Carol Wood
- Emergency Preparedness and Roads – Ray Pierson
- Environmental & Swimming Pool – Penny Jensen
- Finance & Water – Karen Krug
- Fitness and Nominating – Richard Hilfer
- Property Maintenance and Workshop – Mike Hinojos

**Board Goals:**

The Board agreed upon the following goals for the 2013-2014 term:

- Submit Reserve Assessment Proposal to Membership
- Deal with Marina Beach Preservation including funding for proposed Berm Project
- Consider reforming the Finance Committee

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JULY 20, 2013  
3:30 PM

**Adjournment:** Penny Jensen moved and Ross Anderson seconded to adjourn the Special Board Meeting at 4:10 p.m. Passed 5/0

Submitted by:

Approved by:

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Carol Wood, Secretary

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Richard Hilfer, President

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
AUGUST 5, 2013  
7:00 P.M.

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

A. Welcome

**In Attendance:** Richard Hilfer, Ross Anderson, Carol Wood, Karen Krug, Mike Hinojos, Penny Jensen, Ray Pierson

**New Business Action Items:**

**Motion 1:** Carol Wood moved and Mike Hinojos seconded to accept the request for quotation for the marina seawall project as prepared by the Seawall Task Force. Passed 6/0

**Motion 2:** Richard Hilfer moved and Ross Anderson seconded to approve, as amended in discussion, the contents of the ballot package to be sent to the members including Exhibits A and B, the ballot and the cover letter. Passed 6/0

**Announcements:**

- A. Study Session – August 13, 2013, 3:00 p.m.
- B. Board Meeting – August 15, 2013, 7:00 p.m.

**Adjournment:** Ray Pierson moved and Mike Hinojos seconded to adjourn the meeting at 8:30. Passed 6/0

Submitted by:

Approved by:

\_\_\_\_\_  
Carol Wood, Secretary

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

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
AUGUST 15 2013  
7:00 PM

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

- A. Welcome
- B. Effective August 1<sup>st</sup> Georgette Semick has resigned from the Finance Committee. I wish to thank her on behalf of the Cape George community
- C. Election ballots went out August 7<sup>th</sup>. Thanks to the Election Committee for getting this out quickly!
- D. The Seawall RFP was approved at a Special meeting has been mailed to six contractors with a return deadline of September 16<sup>th</sup>.

**In Attendance:** Richard Hilfer, Ross Anderson, Carol Wood, Karen Krug, Penny Jensen, Ray Pierson, Michael Hinojos

**Action on Minutes:** Carol Wood moved and Ray Pierson seconded to approve the Regular Board Meeting minutes of July 11, 2013. Passed 6/0

Carol Wood moved and Ray Pierson seconded to approve the Special Board meeting minutes of July 20, 2013. Passed 6/0

Carol Wood moved and Ray Pierson seconded to approve the Special Board Meeting minutes of August 5, 2013. Passed 6/0

**Membership Report:** Carol Wood

- Raul and Mary Huerta purchased 61 Saddle Drive from Richard Anderson

**Treasurer's Report:** Karen Krug

**TREASURER'S REPORT  
As of July 31, 2013**

<b>1</b>	Total cash and investments at month end were	<b>\$815,308</b>
	That amount is comprised of	
	General checking of	98,472
	General savings (Ops Investment) of	70,010
	Two petty cash accounts of	600
	and CDs and Money Markets totaling	646,226

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
AUGUST 15 2013  
7:00 PM

**All existing bank accounts have been reconciled through July 31 and no new accounts were opened during the month. Due to the election of new Board members and officers, authorized signatories at all financial institutions have been changed.**

- 2 The CDs and Money Markets are primarily Reserve accounts  
and include:
- |                                    |           |
|------------------------------------|-----------|
| General Reserves                   | \$121,361 |
| Water Reserves                     | 194,061   |
| Marina Reserves                    | 84,530    |
| Special Assessment - North Seawall | 246,274   |

**One CD matured during July and the majority of the principal was rolled into another CD at Peninsula CU. CDs are laddered with due dates every six months and a money market account is maintained to enable necessary monthly reserve transfers.**

- 3 Regular accounts receivables, net of allowances are \$6,535  
Receivables over 90 days, net of allowances are 4,985  
The Special Assessment Receivable outstanding is 39,707

**Current receivables are running true to historical patterns with seven accounts responsible for two-thirds of the outstanding balances. It is anticipated, as of July 31, that approximately \$1,800 of the Special Assessment Receivable will prove uncollectible.**

- 4 Year-to-date total net Revenue and Expenses (Net Income) of \$129,168 is favorable when compared to the original budget which projected Net Income of \$93,460 thru the end of July  
By cost center, the year-to-date results are:

General operations \$58,737 compared to the budget of \$31,249;  
Water operations \$40,211 compared to the budget of \$42,054;  
Marina operations of \$29,342 compared to a budget of \$20,157; and  
Interest income on the reserve funds of \$875 which was not budgeted for 2013.

**General operations is performing ahead of budget expectations due largely to the receipt of \$16,000 in insurance reimbursement and collection of \$5,800 of accounts previously thought to be uncollectible. Without these two items, performance would be nearly identical to budget.**

**Water operations are lagging their original budget target due mostly to additional costs for the water system plan and water rights litigation. Water operations will need to be carefully monitored if the cost center is to reach its budget goal by year end.**

CAPE GEORGE COLONY CLUB  
 BOARD OF TRUSTEES MEETING  
 AUGUST 15 2013  
 7:00 PM

Marina operations are performing slightly ahead of the year-to-date budget expectations. This is especially important since the Marina Reserve is currently short of its maximum contribution to the North Seawall project by nearly \$13,000.

*kck 08/08/2013*

**Cape George Colony Club**  
**SPECIAL ASSESSMENT FOR NORTH MARINA SEAWALL**  
**July 31, 2013**

Total Special Assessment approved by Members		<b>\$293,928</b>
<i>662 equivalent lots @ \$444 each</i>		
Bad debts written-off thru 07/31/2013		(148)
Bad debt allowance thru 07/31/2013		(1,776) <sup>(1)</sup>
Expected net Special Assessment		<b>\$292,004</b>

Cash collected thru 7/31/2013		\$254,073
Past due Receivable as of 7/31/13		2,559
Anticipated uncollectibles as of 7/31/2013		(1,776)
Final payment due 09/01/13	48,988	
Less prepayments received	(11,840)	37,148
		<b>\$292,004</b>

**Special Assessment Cash Balance:**

Cash collections through 07/31/2013		\$254,073
Plus: Total Interest income (4305-007 - thru 07/31/13)		324
Less: Actual draws for expenses (thru 7/31/13)		(8,124) <sup>(2)</sup>
Net Cash In Special Assessment Account		<b>\$246,273</b>

<i>Expenditures not yet drawn (07/31/13)</i>		\$572 <sup>(2)</sup>
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GL Account Balance (1108-007) as of 07/31/0213		<b>\$246,274</b>
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**Marina Reserve Contribution:**

Total	\$100,000	
Less: Actual draws (thru 07/31/13)	(2,708)	(2)
Balance as of 07/31/13	\$97,292	
<i>Expenditures not yet drawn (07/31/13)</i>	\$191	(2)
GL Account Balance (1108-003) as of 07/31/0213	\$84,530	
<b>Current Shortfall in Maximum Marina Contribution</b>	<b>\$12,762</b>	

**NOTES:**

(1) *It is anticipated there will be additional actual bad debt write offs by year end.*

(2) *Total preliminary project costs to date are \$11,595 (CIP-#1491-001)*

*By Board decision, 75% of all expenses are to be from Special Assessment funds (\$8,696 - #1108-007 - \$8,124 actually drawn) with the remaining 25% from Marina Reserves (\$2,899 - #1108-023 - \$2,708 actually drawn).*

*kck 08/08/13*

**CAPE GEORGE COLONY CLUB**

**Balance Sheet**

As of July 31

<u>Assets</u>	Current Year (2013)	Prior Year (2012)
<b>Cash and Cash Equivalents</b>		
Operating Fund Checking	\$ 98,472	\$ (4,869)
Petty Cash	300	300
Petty Cash - Marina	300	300
Operating Investment-General(Savings)	70,010	50,007
Reserve - General	121,360	124,913
Reserve - Water	194,061	199,677
Reserve - Marina	84,530	114,930
Reserve - North Seawall Special	246,274	107,130
<b>Cash and Cash Equivalents</b>	<b>815,307</b>	<b>592,388</b>

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<b>Accounts Receivable</b>	9,113	17,017
Less: Allow. for Doubtful Accounts	(2,577)	(5,601)
<b>Total Net Receivables</b>	<u>6,536</u>	<u>11,416</u>
 Special Assessment Receivable	 39,707	 184,630
 <b>Total Fixed Assets(less Accum. Dprn)</b>	 1,393,982	 1,441,844
Work in Process-General	80,181	87,723
Work in Process-N Seawall	11,596	2,210
<b>Total Net Fixed Assets</b>	<u>1,485,759</u>	<u>1,531,777</u>
 <b>Total Other Assets</b>	 <u>37,336</u>	 <u>34,625</u>
 <b>TOTAL ASSETS</b>	 <u><b>\$ 2,384,645</b></u>	 <u><b>\$ 2,354,836</b></u>

**Liabilities and Fund Balances(Equity)**

**Current Liabilities**

Accounts Payable	\$ 7,175	\$ 10,812
Unearned Income General	29,621	27,873
Unearned Income Marina	-	-
Unearned Income Marina Wait List	550	500
<b>Total Current Liabilities</b>	<u>37,346</u>	<u>39,185</u>

Special Assessment Liability	293,928	293,928
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**FUND BALANCES:**

Fund Balance (Combined)	1,924,204	1,920,812
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Current Net Income/(Loss)	<u>129,168</u>	<u>100,912</u>
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<b>TOTAL LIABILITIES AND EQUITY</b>	<u><b>\$ 2,384,645</b></u>	<u><b>\$ 2,354,836</b></u>
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**CAPE GEORGE COLONY CLUB**  
Summary Income & Expense Statement  
For the Period Ending 07/31/2013

Description	Current Period			Year-to-Date			Yearly Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>General</b>							
Income - General Assessment	\$ -	\$ -	\$ -	\$ 176,568	\$ 176,568	\$ -	\$ 264,853
Income - All Other Sources	951	1,276	(325)	31,458	13,650	17,807	20,600
Total General Income	\$ 951	1,276	(325)	\$ 208,026	190,218	17,807	\$ 285,453
Expenses:							
Salaries, Benefits, PR Tax	11,315	11,410	95	72,644	79,872	7,228	136,923
Repairs & Maintenance	1,386	1,941	555	15,707	12,185	(3,522)	18,488
Contracted Services	3,605	2,779	(826)	30,128	23,556	(6,572)	39,554
Supplies, Tools, Etc.	1,121	757	(364)	6,712	5,201	(1,511)	9,000
Utilities	540	992	452	5,533	6,942	1,409	11,900
Insurance	1,821	1,740	(81)	12,024	12,181	157	20,882
Pool Expenses	1,771	1,580	(191)	9,931	16,570	6,639	30,000
Taxes & Other Expenses	(448)	254	702	(3,390)	2,463	5,855	5,750
Total General Expenses	\$21,111	21,453	342	\$149,289	158,970	9,683	272,497
<b>General Net Income</b>	<b>\$ (20,160)</b>	<b>\$ (20,177)</b>	<b>\$ 17</b>	<b>\$ 58,737</b>	<b>\$ 31,248</b>	<b>\$ 27,489</b>	<b>\$ 12,956</b>
<i>NOTE: Included in General Operations is the receipt of \$16,324 in flood insurance proceeds.</i>							
<b>Water</b>							
Income - Water Use Fees	\$ 60	\$ -	\$ 60	\$ 121,260	\$ 120,960	\$ 300	\$ 181,440
Income - All Other Sources	-	-	-	4,819	2,500	2,319	2,500
Total Water Income	\$ 60	-	60	\$ 126,079	123,460	2,619	\$ 183,940
Expenses:							
Salaries, Benefits, PR Tax	4,918	5,099	181	32,807	35,691	2,884	61,185
Repairs & Maintenance	0	875	875	2,613	4,173	1,560	5,985
Contracted Services	2,113	1,261	(852)	25,326	12,409	(12,917)	22,500
Supplies, Tools, Etc.	538	1,055	517	4,526	7,563	3,037	11,255
Utilities	843	925	82	4,736	5,072	336	9,795
Insurance	1,173	1,121	(52)	7,748	7,849	101	13,456
Taxes & Other Expenses	16	144	128	8,112	8,649	537	13,129
Total Water Expenses	9,601	10,480	879	85,868	81,406	(4,462)	137,305
<b>Water Net Income</b>	<b>\$ (9,541)</b>	<b>\$ (10,480)</b>	<b>\$ 939</b>	<b>\$ 40,211</b>	<b>\$ 42,054</b>	<b>\$ (1,843)</b>	<b>\$ 46,635</b>

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<b>Marina</b>							
Income - Marina Moorage	\$ 79	\$ -	\$ 79	\$ 43,476	\$ 41,098	\$ 2,378	\$ 41,600
Income - All Other Sources	595	10,426	(9,831)	12,444	21,782	(9,338)	22,135
<b>Total Marina Income</b>	<b>\$ 674</b>	<b>10,426</b>	<b>(9,752)</b>	<b>\$ 55,920</b>	<b>62,880</b>	<b>(6,960)</b>	<b>\$ 63,735</b>
<b>Expenses:</b>							
Salaries, Benefits, PR Tax	792	1,129	337	5,569	7,904	2,335	13,550
Repairs & Maintenance	8,873	11,756	2,883	10,261	13,520	1,764	13,928
Contracted Services	301	487	186	2,948	2,310	(638)	3,545
Supplies, Tools, Etc.	7	183	176	496	1,280	784	1,995
Utilities	48	475	427	4,012	3,325	(687)	5,700
Insurance	406	389	(17)	2,684	2,720	36	4,662
Taxes & Other Expenses	-	10,463	10,463	608	11,664	11,056	13,725
<b>Total Water Expenses</b>	<b>10,427</b>	<b>24,882</b>	<b>14,455</b>	<b>26,578</b>	<b>42,723</b>	<b>14,650</b>	<b>57,105</b>
<b>Marina Net Income</b>	<b>\$ (9,753)</b>	<b>\$ (14,456)</b>	<b>\$ 4,704</b>	<b>\$ 29,342</b>	<b>\$ 20,157</b>	<b>\$ 9,185</b>	<b>\$ 6,630</b>
<b>Interest Income - Reserves</b>							
General Reserve	\$ 9	\$ -	\$ 9	\$ 219	\$ -	\$ 219	\$0
Water Reserve	14	-	14	350	-	350	-
Marina Reserve	6	-	6	168	-	168	-
Special Assessment	22	-	22	140	-	140	-
<b>Total Income - Reserves</b>	<b>\$51</b>	<b>\$0</b>	<b>\$51</b>	<b>\$877</b>	<b>\$0</b>	<b>\$877</b>	<b>\$ -</b>
<b>Combined Net Income/(Loss)</b>	<b>\$ (39,403)</b>	<b>\$ (45,113)</b>	<b>\$ 5,711</b>	<b>\$ 129,168</b>	<b>\$ 93,458</b>	<b>\$ 35,708</b>	<b>\$ 66,221</b>
<i>Excludes Deprn</i>							<small>kck 08/08/13</small>

**Manager's Report: Arthur Burke**

As a result of the recent Trustee election and selection of Board Officers, the office has completed the following:

- Updated the Governing Person's information at the Secretary of State's office.
- Updated/changed signatory authority on all financial accounts.
- Notified our insurance company and corporate attorney of current Trustee list.
- Updated a variety of office documents.
- Retrieval and distribution of Trustee keys and materials.
- Updated Cape George website.

The permit process is underway for the shoreline protection project. Pre-Application Conference and Master Permit Applications have been completed and submitted to Jefferson County Dept. of Community Development. Joint Aquatic Resource Permit Application (JARPA) has been completed and sent to Washington State Dept. of Fish and Wildlife.

I met with member Bob Carter regarding the possible donation of an art piece called the Watershed Bell by artist Tom Jay. As a result, a site visit was conducted to the foundry in Chimacum where the bell was created with community members Kitty Rucker, Tom Ramsey, Mary Hilfer and Norma Lupkes. A formal request to accept the bell will be presented to the Trustees for consideration at the August Study Session.

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I met with Roads Committee Chair Larry Southwick and a detailed survey of community roads and parking lots was conducted. At the conclusion of the survey 26 locations were identified as needing repair. Three asphalt contractors have been contacted to provide quotes for repairing those areas. I will be bringing the quotes to the September Study Session for review.

Effective August 1st Georgette Semick has resigned from the Finance Committee. I would like to thank her for all of the years of valuable service and assistance that she provided to the community and office. During my 3 ½ years as manager, Georgette was a tremendous help in sharing institutional knowledge as to how we operate and why. She was also our insurance expert and will hopefully continue to be a part of sharing her expertise on all things insurance. Thanks for all of your help.

Office Assistant Sharon Mitchel reported that the month of July water readings showed a noticeable increase in usage as a result of the dry weather. Forty-two households had an average daily usage of greater than 500 gallons for the month.

Working with the Seawall Task Force, I assembled the request for proposal and supporting documents and sent them off to six contractors. Responses are due on September 16th.

Office Assistant Sharon Mitchel has been working on the following:

- Training front desk volunteers to fill in when on vacation or as needed.
- Exploring options to cover Clubhouse rentals that are currently covered by staff.

Miscellaneous projects taking place in the community include:

- The final cycle of lot mows has begun.

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

- Invasive plant complaints in the Colony and Village.
- Grass fire in the Colony.
- Noise complaint in the Village.
- Property maintenance complaints in the Village.
- Trespass complaints in the Village.
- Barking dog complaint in the Colony.
- Complaint of recreational vehicle parked on common property for over 48 hours.

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Building, Emergency Preparedness, Environmental, Marina, Pool, Seawall Taskforce, Water, Workshop. The reports are attached to these minutes and incorporated by reference.

**Information Items:**

- A. The manager has submitted permit applications to Jefferson County Department of Community Development and Washington State Department of Fish and Wildlife for the shoreline protection project. The issue of funding options will be forwarded to the September Study Session.

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- B. The manager completed the first marina reconciliation of moorage and trailer parking. A second reconciliation will be conducted in September.
- C. The Marina Committee's request to use \$5,200 of Marina operational dollars for the repair and replacement of docks will be further discussed at the September Study Session.
- D. The Trustees will further discuss the need to add a financial institution for investment purposes to the September Study Session.
- E. Property maintenance regulations will be further discussed at the September Study Session.

**Member participation:**

No member participation

**New business agenda items:**

**Motion 1:** Karen Krug moved and Carol Wood seconded that the Board direct the Manager to issue a Notice of Violation dated August 16, 2013 citing, per the Covenants, the failure to complete the exterior of a building at 41 N Palmer drive within six months of the start date listed on the Building Permit as January 28, 2013 and assess a fine of \$250.00 per month (Fine Schedule #8) to Mrs. J. Specht, with the condition that the fine be waived if the building exterior is completed within 90 days from the date of the August 16, 2013 notice. Passed 6/0

**Motion 2:** Penny Jensen moved and Ray Pierson seconded to accept the loan of the Watershed Bell from member Bob Carter on the condition that Cape George Colony Club be absolved of responsibility for damage to or theft of the Watershed Bell. Passed 6/0

**Motion 3:** Karen Krug moved and Michael Hinojos seconded that the Board direct the Manager to sign and issue the audit engagement and tax preparation letter from Cagianut and Company dated August 13, 2013 for the fiscal year 2013 audit with the agreed upon base fee of \$4,400 and that by this adoption the Board acknowledges their receipt of said document. Passed 6/0

**Motion 4:** Karen Krug moved and Ray Pierson seconded that in the spirit of FIN08 and given the July 2013 changes in Board composition that the Board formally acknowledges the following financial relationships:

JP Morgan Chase account ending 5161; Kitsap Bank account ending 9111;  
Peninsula Credit Union account ending 8414; Wells Fargo account ending 5374; and  
Wells Fargo account ending 4708.

Passed 6/0

**Motion 5:** Karen Krug moved and Ross Anderson seconded that in the spirit of FIN08 and given the July 2013 change in Board composition that the Board formally acknowledges the following signatories for the listed institutions:

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JP Morgan Chase – R. Hilfer; C. Wood; R. Anderson; K. Krug;  
Kitsap Bank – R. Hilfer; C. Wood; R. Anderson; K. Krug;  
Wells Fargo – R. Hilfer; C. Wood; R. Anderson; K. Krug; and  
Peninsula Credit Union - R. Hilfer; C. Wood; K. Krug (note only three).  
Passed 6/0

**Motion 6:** Karen Krug moved and Penny Jensen seconded that at the recommendation of the Finance Committee and following the past 30 day Member comment period, the Board adopts the modifications to FIN08 that were first reviewed at the July 2013 Study Session and subsequently appeared in the August 2013 newsletter. Passed 6/0

**Motion 7:** Karen Krug moved and Ray Pierson seconded that at the request of the Water Committee, the Board adopt the Cross Connection Control Plan, Appendix S, of the Water System Plan dated January 22, 2013 and by this adoption the Board acknowledges their receipt of said document. Passed 6/0

**Motion 8:** Ray Pierson moved and Penny Jensen seconded a Resolution to transfer \$191.25 from Marina Reserves to General Checking Account and \$573.75 from Special Assessment Account to General Checking Account for consulting services by MW Hillman Consulting for the Seawall Replacement Project. Passed 6/0

**Open Board Discussion:**

The Board will be e-mailing a clarifying letter regarding the Reserve Assessment Ballot. It will also be posted on bulletin boards.

It was clarified that only brief notes about the Open Board Discussion will be included in the minutes.

The manager was asked if disking the vacant lots might be a less costly option than mowing three times per year. The manager indicated the lots are mowed by an outside vendor and those costs are passed on to the member.

The manager was asked to verify our insurance coverage, if any, on the Watershed Bell.

**Announcements:**

- A. Special Meeting of the Members – September 10, 2013, 2:45 – 3:00 p.m.
- B. Study Session – September 10, 2013, 3:00 p.m.
- C. Board Meeting – September 12, 7:00 p.m.

**Motion 8:** Ray Pierson moved and Penny Jensen seconded to adjourn the Regular Board Meeting at 7:30 p.m. Passed 6/0

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Submitted by:

Approved by:

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Carol Wood, Secretary

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Richard Hilfer, President

## Committee Reports

### **BUILDING COMMITTEE August 1, 2013**

#### Building Permits Issued:

Laurie Stephens, 50 Pine Dr, Village, build a 10' x 16' shed

#### Earthworks Permits Issued:

Melanie Stone, 61 Cedar Dr, Village, install septic system

### **EMERGENCY PREPAREDNESS July 16, 2013**

**Attending:** Stewart Pugh, Brian Ritchie, Helen Rector, Maria Porter, Jack Salmon, Jeff Gibbon, Art Burke, Ray Pierson, Thad Bickling, Carolyn Salmon (Thad & Carolyn presiding) Guest: Jack Gibbon

The EPC recognized Jack Gibbon for earning his Amateur Radio operator's license. He will join the EPC Ham Radio operators. Olivia will be leaving for college in August.

**All-County Picnic:** Thad announced All County Picnic sponsored by Local 2020, Jefferson County Emergency Management Department and the organization of Neighborhoods on Sunday, August 18 from 11-5 at W.J. Carroll Park in Chimacum. CG EPC will participate to encourage other neighborhoods to organize.

**Improving Communications:** We discussed the possibility of locating a HAM radio at the Water Farm as a means of improving communications between the Highlands and the NICC (Neighborhood Incident Command Center). Jeff Gibbon will look into the possibility that a GMRS booster, HAM radio and /or antenna will improve communications.

**Designated neighborhoods:** We agreed that the 4 sections of Cape George should be divided into specific, permanent neighborhoods to facilitate assignment of Neighborhood Responders and identification in the event of a disaster.

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We discussed the additional supplies needed in a disaster and sources of funding. We agreed that EPC should buy an AED and mount it on the wall of the Maintenance building. It would be available in the event the area was in use as a gathering place and for users of the Pickle Ball court. We will include this item in our budget request and also seek other funding.

**Education:** We should publishing preparedness information in the CG newsletter, after a break. Art noted that about 50% of CG residents download the newsletter, 175-200 copies are distributed via the bulletin boards to residents, including renters and 2-3 are mailed each month.

We should update information for Leslie Fellner to distribute to new residents.

**Portfolios:** the Portfolios have been revised to be more applicable to Cape George use. The next step is to develop more detailed plans for responding to specific situations. Maria will work on Emergency Care and Helen will work on Pets.

**Revising the Emergency Management Plan:** Carolyn has started updating the CG Emergency Management Plan.

**Adjourn:** the meeting adjourned at 8:05 pm

**ENVIRONMENTAL COMMITTEE  
August 12, 2013**

**ATTENDEES:**

Art Burke	Pat Hartman	Lorna Smith	Gretchen Cooper	Betty Hanks
Penny Jensen	Norma Lupkes	Dennis Fellner	Betty Hanks	Kitty Rucker

- I. **CALL TO ORDER** - Meeting was called to order at 9:31 a.m.
- II. **APPROVAL of MINUTES OF JUNE MEETING:** - Minutes of the previous meeting were approved with corrections.
- III. **FISCAL REPORT** - Fiscal report: Balance :\$1795.17
  1. Expenditures: \$150.00 Marine Science for beach walk guides  
21.62 Cookies for participants at Beach Walk  
18.90 Hose nozzle for use at Village entrance

**IV. OLD BUSINESS**

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1. BEACH WALK - The Beach Walk held on Aug 23. was a huge success with over 50 participants and was enjoyed by all who attended. The committee agreed it was a worthy cause to fund next year.
2. LILAC PRUNING - Betty Hanks reported that the pruning of all the lilacs at the Colony mailboxes was not done as they were budding out at the time. One bush was partially pruned near the new tree but the others will be revisited after bloom next year.
3. BERM REPORT
  - i. Art Burke reported that the state and county permit applications for the new beach berm have been submitted and they are waiting for approval.
  - ii. Penny, Art & Kitty made a visit to Blakely Island to view a berm which was constructed 5 years ago of rock, gravel, logs and native plantings. It looks very natural and similar to what we hope to accomplish at CG. Kitty showed photos taken while there.
  - iii. July to February is the window of opportunity for installation of such a berm. Kitty contacted the NW Marine Coalition and learned of the possibility of a grant to help fund plantings and berm work. We will be put on a list of applicants for when money becomes available.
4. DANCE TO RAISE MONEY FOR THE BERM
  - i. The Environmental Committee's **Bucks for the Berm Dance** will be held at the Clubhouse on August 24 at 7:00.
  - ii. It will be BYOB and hors d'oeuvres with a suggested donation of \$5 if you attend ***and \$20 if you don't!!***
  - iii. The decorating crew (Pat, Kitty, Gretchen, and Deane) will meet at 10:00 at the clubhouse.
  - iv. Betty will look for our decorations in the closet in the entryway.
  - v. Jan Stone is compiling a play list and disc for the music. Ann Candioto will obtain the playlist on her I Phone and play the music at the dance.
  - vi. The Social Club will put up a flyer with all the information on the dance. Kitty will supply the info.
  - vii. All profits will go toward the Berm Project.

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**V. NEW BUSINESS**

1. WATERSHED BELL – Cape George has been offered an extremely beautiful large brass bell, named the Watershed Bell, crafted by local artist Tom Jay for Bob Carter’s father. It shows the salmon lifecycle. It has been located at H. J. Carroll Park, but it was showing signs of vandalism. It was removed from the park to the artist’s foundry for its safety and for fear of theft for the copper in it.
  - i. A group composed of Art, Mary Hilfer, Tom Ramsey, Norma Lupkes, and Kitty Rucker made the trip out to view the bell and then went to the park location to see how it had been hung there.
  - ii. The committee suggests locating the bell in front of the clubhouse. We will have to build a new frame for the bell since the park want to keep the old one.
  - iii. The Social Committee, the Marina Committee and the Environmental Committee have agreed to sponsor the placement of this work of art.
  - iv. The artist, Tom Jay, said that he would be willing to come and read his poetry at the dedication of the bell.
2. ANNUAL REPORT TO THE BOARD – The Environmental Committee Annual Report presented at the Annual Meeting by Kitty was circulated for anyone who had not previously read it. Our committee has accomplished a lot this year.
3. CLUBHOUSE STORAGE – The clubhouse storage room and front closet have been cleaned out and reorganized by the Social Club. All “kitchen” items have moved and all of the shared paper goods and event items are now itemized and shelved in the storeroom with decorations moved to the front closet. The cooperation with the Social Club on events, publicity, supplies, and assistance is working out really well.
4. FISH PENS – A survey on prohibiting fish pen construction in Discovery Bay is being circulated. Currently there are 250 names on the paper petition and over 500 online. Please try to sign one of these petitions to ask the state to prevent the placement in our waters. Kitty has attached two documents to the minutes for your use. Linda Sutton has hard copies.
5. LETTER TO BOARD ON BERM – The Committee voted to compose a letter to the Board of Trustees concerning the urgency of doing everything possible to push the beach berm project to the top of the list of priorities after the current Reserves issue has been completed. We will discuss this at the September meeting.

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6. TANSY RAGWORT – We will be picking tansy ragwort, a noxious weed on Spruce Drive at 10 a.m. tomorrow. Please come and help if you can.
  
7. CARIBBEAN DINNER – We voted to sponsor the October Social Event at the clubhouse. It will be a Caribbean dinner with calypso music and rum punch or sangria. People will bring a dish of Caribbean style. We voted that we would ask for a \$5.00 donation for the Berm project. Dennis Fellner and his wife, Leslie, who is welcoming lady in CG, will chair the event. ***(Since the meeting, Dennis has suggested that we ask for a \$10 donation and give people a ticket for a drink or two for that.)*** We can discuss that at the September meeting on Sept.9. Think about it.

VI. **ADJOURNMENT.** The meeting was adjourned at 10:32.

**MARINA COMMITTEE MEETING**  
**August 6, 2013**

There were 13 members present in addition to Manager Art Burke.

Ross Anderson requested 2 more boats for the tour of Protection Island and to observe the sailing regatta on August 17. He has 15 Cape George members signed up so far. Ross advises he will look into potential liability issues.

Since Marina's Reserves were depleted unexpectedly, the dock float replacement project has been put on hold. Tom Ramsey also recommended that the sediment bypass project also be suspended for an undetermined period of time. Gary Rossow made a motion, which was seconded by Bob Frennette, that the Marina Committee make formal requests to the Board of Trustees to utilize funds in the 2013 Marina Operating budget to replace necessary floats this year. It was estimated that \$5200 would be required. The vote passed unanimously and the requests will be presented to the Board on August 13. Marina Committee members were asked to be at the meeting to show support for the requests.

It was reported that Jack Scherting sold the boat "fighting chair" on E-Bay. This chair did not sell at the Marina Sale. After shipping and other expenses were deducted, the Marina Fundraising account was enhanced by \$219. This brought the balance of the Fundraising account up to \$4561.

A discussion of the "Watershed Bell" that is being donated to CGCC focused on its placement and the Marina Committee's support. John Hanks made a motion, which was seconded by Bob Frennette, to donate \$100 from the Marina fundraising account to defer some of the cost in the bell's installation. The vote was unanimous.

Carl Schwersinske reported that "windsocks" range in price from \$50 to \$200. The purpose of the windsock was to assist sailors determining wind direction and velocity. Gary Rossow made a motion, which was seconded by Bob Frennette, that the Committee allocates \$100 from the fundraising account

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for the purchase of a windsock. John Hanks was appointed to the task of making the purchase and installation. The motion passed with 9 members for and 4 members' ether against or abstaining.

Gary Rossow reported that bid packages for the North Seawall project were going out to seven prospective contractors. It is hoped that the project can be completed in the early Fall of this year.

A review of the annual Cape George Waterfront Festival was discussed with regards to food, beverages, and sign-up sheets for the event. There is a sign-up sheet at the Community Workshop office, and one will soon be available in the Cape George office. John Hanks and Tom Ramsey are in charge of beverages, Thad Bickling to oversee food procurement, Penny Jensen doing the Boat Open house along with children's activities; Gary Rossow is in charge of the Regatta, Ross Anderson overseeing the cruise around the bay and Protection Island, and Penny Jensen to emcee the Pet Beauty Contest.

Mac McDonald made a motion, which was seconded by Gary Rossow, to recommend disbanding the Marina Workshop Committee. There was no discussion. Bob Frennette suggested tabling the motion for a later date. Everyone was in agreement.

Tom Ramsey  
Marina Committee Chair

**POOL COMMITTEE  
Aug 6, 2013**

**ATTENDEES:**

Art Burke      Bruce Candioto      Mary Hilfer      Norma Lupkes      Leanne Ryan

**NOTES:**

The Waterfront Festival sponsored by the Marina Committee has requested that this committee assist in providing exercise demonstrations in the pool for the regular and deep water aerobics during the festival to be held on Aug 17 at 1:00. Four volunteers (Leanne Ryan, Robin Scherting, Sharon Mitchell and Norma Lupkes) will provide the demonstrations. A clip board will be made available in the pool area for anyone interested in joining the activities and will be contacted.

The ongoing cleaning of the dressing rooms was discussed. General cleaning is done once a week and Donnie keeps the supplies up to date. It was suggested that a short hose could be made available to clean the tile floors followed by a squeegee. Art will meet with some of the swimmers to experiment with this procedure in the near future.

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The louvered 24" industrial fan installed in the window of the room connected to the pool to replace the 2 fans in the pool room itself is going to be turned back on for use during the warm weather.

Art updated the committee on the current situation with the pool HVAC/humidity issue. No quotation has been received as yet for constructing the ducting system for pool dehumidification.

Bruce surfaced again about having lines and end markers painted in the pool for lap swimming if the pool is drained for any reason.

Usage logging of the pool based upon key card usage will be done in the near future using an Excel spreadsheet which has just been developed. Norma will work with Sharon in the office to accomplish this task.

**CAPE GEORGE SEAWALL TASK FORCE  
July 12, 2013**

**Task Force Members:**

John Hanks	379-6572	johnthanks@wavecable.com
Paul Happel	379-9119	paul_happel_9@msn.com
Michael Heckinger	206-459-2233	Michael@wcinsulation.com
Bruce Candioto	379-2563	<a href="mailto:brucandi@cablespeed.com">brucandi@cablespeed.com</a>
Gary Rossow	531-2737	rossowgary@yahoo.com
Dick Pool	379-4173	poolricharde@yahoo.com
Ben Fellows	379-4109	fellowship@olyphen.com
Tike Hillman		mhillman@olyphen.com
Art Burke	385-2208	manager@capegeorge.org

The Seawall Task Force Committee Meeting, was called to order by Ben Fellows acting chairperson for Bruce Candioto at 1:00 pm. Members in attendance were Paul Happel, Ben Fellows, Michael Heckinger, Gary Rossow and Seawall adviser Tike Hillman. Four members of the Cape George community also attended.

Minutes from the last meeting were approved as written and seconded.

Gary Rossow stated that the seawall permit was approved on June 27, 2013 by the Corps of Engineers and other agencies involved. The permit is valid until March 18, 2018. The window for construction of the project is from July 15 to February 15. Other times of the year are prohibited because of wildlife species conflicts. It took approximately 8 months for approval of the permit.

The second permit applied for Dredging the basin, sediment bypass, and rock for the Jetty will need to go out for public comment before it is approved. Sediment samples for the Basin Dredge Area Samples

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Analysis with sand grain size, carbon content and organic compounds were received, approved and OKed for dumping dredging materials as usual on the south side of the marina basin.

Tike Hillman has been working with MC Squared engineering suggested that a tie-back system be placed in the in the RFP. The reasoning is that if the sheet piling if does not reach total depth, the tie-back system will improve the structural integrity of the project.

Ben Fellows and Paul Happel with input from others on the seawall committee will develop the RFP (Request For Proposal). The RFP will explain to the contractors what is to be accomplished in the project so they can formulate a firm price for the cost of the seawall project. This will allow the prospective contractors to lay out how they will proceed and what kind of equipment they will use to complete the project. By doing this the Seawall Committee and their advisor will be able to evaluate the feasibility of the contractor to complete the project.

A motion was made and seconded to have MC Squared finalize the engineering drawings for the project. Approximately \$6,500 has been approved by the Cape George Board for this purpose.

The tentative schedule for the project is as follows:

- ❖ RFP written and sent out to prospective contractors by August 15, 2013.
- ❖ Request prospective contractors to have quotes back from the contractors by September 15, 2013
- ❖ Award Contract October 30, 2013

The funding priorities for the project are as follows:

- ❖ North Seawall
- ❖ South Seawall
- ❖ Rock extension to the jetty

The next meeting will occur on August 2, 2013 at 1:00 pm at the Cape George Club House. Gary Rossow offered to write the minutes of the next meeting. The meeting adjourned at 1:50 pm.

**WATER ADVISORY COMMITTEE  
AUGUST 6, 2013**

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

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1. Water System Plan (WSP) status. Ed reported that the Dept. of Health (DOH) said that they hadn't received the response to their long list of issues that we had submitted and so it had to be re-submitted, this time including a pdf file of the WSP. Apparently there is new staff and/or reorganization that is impacting the review of our project. That may or may not include Andy Anderson which would be in our favor because he has worked with us in the past and is very familiar with our system. That is also adversely impacting the City of Port Townsend project as reported in the newspaper. DOH also now wants our WSP in a different format but we can't change at this late stage in the process. Our Plan is being handled by our consultant, Bob Leach, retired from NTI. Ed hasn't received a response from DOH so he has asked Bob to find out what our status is now.

DOH does want the cross connection program that is described in our WSP to be formally adopted by the Board before they will consider it completed. Art will put in on the agenda for the August Board meeting. It just has to be copied from the WSP and submitted for adoption by resolution, then that submitted to DOH.

2. Water rights status. The Dept. of Ecology (DOE) won't complete the final review of our water rights until the Water System Plan is approved by DOH. The WSP includes a section on our water rights. Ed recently completed another analysis of the 2011 – 2012 water use with data that Stewart has compiled from our water meter reading system. That analysis shows a projected water demand of nearly 120 acre feet per year based on our current water use and demographics. A separate analysis shows that we currently average around 1.9 persons per household which reflects our customer base of older individuals/couples. We need to plan for an average or around 3.3 persons per household that is more common in typical water systems reflecting younger customers with children. That would raise our annual water demand projection to around 180 acre feet per year, which is in line with our request to maintain our water rights at 192.

This latest data, together with our WSP should be all that DOE requires in order to complete our water rights determination. We'll be asking Bill Clarke, our attorney in this matter, to schedule a meeting with DOE in the near future to push for a negotiated settlement of this issue.

We also need to request that DOE designate our combined water rights to the well field instead of individual water rights for each of the wells. That will allow complete flexibility in the use of the wells for better operations and maintenance by rotating their use.

3. Greg reported that the latest data from Stewart and Sharon's effort with the water meter reading data is now giving us good correlation to our water production resulting in a 98% accounted for water (the standard is 90% or better). Thanks to Stew and Sharon for all of their hard work on the water meter reading systems.

Greg said that Donnie is now taking the water samples for lead and copper analysis. They are taken in 10 individual homes from the first water draw in the morning. That will reflect any lead and/or copper leaching from within the household (from copper water plumbing and lead

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solder). He said that Donnie also flushes the system water pipes a couple times each year. We had some discussion about the amount of chlorine that is used. Ed said that much of it is used up in the filtration process and we still have some residual level throughout the system to prevent bacteria. Greg also reported that the new 'soft start' system for the water pumps is working well and should reduce the wear and tear on the pump motors.

4. Stew said that, when he first started monitoring the leaks reported by the meter read system, we had around 60 leaks flagged each cycle. Now he has that down to only 16 in the latest cycle so that effort is paying off in reduced water loss. (that effort should please DOH and DOE)

Stew reported that we had 446 occupied houses in the latest meter reading cycle and 72 vacancies during the summer. We have many more vacancies in the winter with the snow birds gone. He said we had 152 customers using over 250 gallons per household per day, the base allocation amount, due to summer irrigation (and some leaks).

The next meeting will be on **September 3, 2013 at 5 pm at the Office.**

**WORKSHOP COMMITTEE**  
**August 7, 2013**

The meeting was held on the first Wednesday of the month at 9:00 AM August 7, 2013 in the Cape George Workshop.

The following attended Art Burke, Manager, Ken Owen, Chair, Committee members Scott James, Bob Skoien, Paul Happel, John Hanks, Tom Ramsey,

**Decisions Made at meeting**

**1. Continue with workshop committee?**

A suggestion was made at the monthly marina meeting to have the marina take back control of the workshop. This suggestion was discussed by the workshop committee and it was decided to not pursue the suggestion.

**2. Change workshop day and meeting times**

The monthly workshop committee will now meet the first Tuesday of the month at 12:00 noon following the marina committee monthly meeting.

The workshop weekly work day will change to every Tuesday from 9:00 AM to 11:00 AM.

**3. We will continue working on ordering replacement tools and doing shop repairs.**

CAPE GEORGE COLONY CLUB  
SPECIAL MEMBERSHIP MEETING  
SEPTEMBER 10, 2013  
2:45 P.M.

**President Richard Hilfer called the meeting to order at 2:45 p.m.**

- A. Welcome
- B. Ballots for the Special Election will be accepted by Election Committee Co-Chair, Joyce Skoien, until 3:00 p.m.

**In Attendance:** Richard Hilfer, Ross Anderson, Carol Wood, Karen Krug, Penny Jensen, Ray Pierson

**Announcements:**

- A. Board Meeting – September 12, 2013, 7:00 p.m.

**Adjournment:** Penny Jensen moved and Ray Pierson seconded to adjourn the meeting at 3:00 p.m. Passed 5/0

Submitted by:

Approved by:

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Carol Wood, Secretary

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Richard Hilfer, President

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

- A. Welcome
- B. The Special Election for Reserve Funding was defeated.  
323 ballots were received. 16 were not opened due to the members not signing (14) or determining the member was not eligible to vote two lots (2)  
Results of the reserve funding issue  
153 Approved  
170 Disapproved
- C. The Watershed Bell was dedicated on Labor Day and was well attended by the Carter family and many Cape George Members.
- D. Responses for the Request for Proposal on the seawall project are due on September 16<sup>th</sup>.
- E. There will be an Executive Session immediately following the Board Meeting to discuss a member rule violation.

**In Attendance:** Richard Hilfer, Carol Wood, Karen Krug, Penny Jenson, and Ray Pierson

**Action on Minutes:** Carol Wood moved and Ray Pierson seconded to approve the minutes of the Regular Board Meeting of August 15, 2013. Passed 4/0

**Membership Report – Carol Wood**

- Timothy & Jane Berry purchased 61 S. Palmer and Lot 8-4 S. Palmer from the Clifford Prout Trust.
- Jean Akin & Thomas Barnett purchased 40 Vancouver and Lot 12-3 N Palmer from Todd & Carol Eskelin
- Philip Sparks & Rosemary Sweeney purchased 172 Colman Drive from the Margaret Elam Estate
- Ricardo Vega Vargas, Rochelle Raines & Enrique Vega Vargas purchased 150 Hemlock Dr. from Housing & Urban Development
- Mary & Raul Huerta purchased 61 Saddle Drive from the Richard Anderson Estate

**Treasurer's Report: Karen Krug**

**TREASURER'S REPORT  
As of August 31, 2013**

<b>Total cash and investments at month end were</b>		<b>\$824,000</b>
This amount is comprised of:		
General checking	\$97,436	
General savings (Ops Investment)	70,011	
Two petty cash accounts	600	
and CDs and Money Markets	655,952	

All accounts with financial institutions have been reconciled through August 31, 2013. No new accounts have been opened and no accounts were closed during the period.

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**The CDs and Money Markets are primarily Reserve accounts were** **\$655,952**

The amounts are allocated as: General Reserves	\$121,362
Water Reserves	194,063
Marina Reserves	84,339
Special Assessment - North Seawall	256,188

The North Seawall account held at Chase, is barely over the \$250,000 FDIC limit. This is a temporary situation given that construction payments are expected to start within the next month which will of course reduce the account balance.

**Total routine accounts receivable, net of allowance for uncollectible were** **\$8,016**

The current receivables include about \$3,000 in low mow fees that were just billed and should be collected within the next few weeks. Of greater concern is the nearly \$4,300 in receivables, again net of allowances, that are more than 90 days past due. Concerted efforts to collect receivables are on-going but general economic conditions make that task increasingly difficult.

**Unearned revenue has increased as would be expected with the final 2013 trimester payment due on September 1.**

As of the end of August, over \$61,000 in early payments for general assessments and water fees had been received.

**Year-to-date total net Revenue and Expenses (Net Income) of \$96,440 is favorable when compared to the originally budgeted Net Income of \$61,692. By cost center the year-to-date operating results and notations are:**

**General operations year-to-date Net Income was \$37,703 compared to the budget of \$11,702.**

There are several unusual transactions that skew actual results. The first is the \$16,000 in flood insurance proceeds only about one-third of which has been used to acquire new workshop tools to date. That variance will be reduced as additional tools are purchased. The other transaction skewing the results is the collection of nearly \$7,000 in old receivables that had previously been considered uncollectible. Without these two items year to date actual Net Income would be only about \$18,000, still ahead of target.

**Water operations year-to-date Net Income was \$29,737 compared to the budget of \$32,172.**

Expenditures for the Water System Plan are nearly double of what was budgeted through the first eight months of the year and as a result, achieving the originally budgeted year-end income target is questionable. Rapid acceptance of the last submitted version of the plan coupled with careful control of all other expenditures may mitigate the anticipated year end underperformance.

**Marina operations year-to-date Net Income was \$28,099 compared to the budget of \$17,818.**

The Marina did not undertake the construction of a new harvest by-pass pit this year which would have required a loan from reserves and also would have entailed payback of principle and interest. Without these items it is expected that operations will perform at levels better than anticipated and nearly sufficient enough to cover the currently projected maximum seawall contribution shortfall.

**SPECIAL ASSESSMENT FOR NORTH MARINA SEAWALL - Collection and Expenditure Information**

Total Special Assessment approved by Members	<b>\$293,928</b>	Cash collected thru 8/31/2013	\$264,617
662 equivalent lots @ \$444 each		Past due Receivable as of 8/31/13	2,081 (3)
Bad debts written-off thru 07/31/2013	(148)	Anticipated uncollectibles as of 8/31/2013	(1,776)
Bad debt allowance thru 07/31/2013	(1,776) (1)	Final payment due 09/01/13	48,988
		Less prepayments received	(21,830) 27,158
Expected Net Special Assessment	<b><u>\$292,004</u></b>	Calculated Special Assessment	<b><u>\$292,080</u></b> (3)

**Special Assessment Cash Balance:**

Cash collections through 8/31/2013	\$264,617
Plus: Total Interest income (4305-007 - thru 8/31/13)	344
Less: Actual draws for expenses (thru 8/31/13)	(8,698) (2)
Net Cash In Special Assessment Account	<b><u>\$256,263</u></b>

Expenditures not yet drawn as of 8/31/13 - \$2,910 (2)

GL Balance (1108-007) as of 8/31/2013 **\$256,188**

**Marina Reserve Contribution:**

Total	\$100,000
Less: Actual draws (thru 8/31/13)	(2,899) (2)
Balance as of 8/31/13	<b><u>\$97,101</u></b>

Expenditures not yet drawn as of 8/31/13 = \$971 (2)

GL Balance (1108-003)-8/31/2013 **\$84,339**

Current Shortfall @ Max. . **\$12,762**

**NOTES:**

- (1) It is anticipated there will be additional actual bad debt write offs by year end.
- (2) Total preliminary project costs to date are \$15,478 (CIP-#1491-001). By Board decision, 75% of all N Seawall expenses are to be from Special Assessment funds (\$11,608 -\$8,698 actually drawn) with the remaining 25% from Marina Reserves (\$3,870 - \$2,899 actually drawn).
- (3) As of August 31 there was a negative \$74 receivable that appears to have been miscoded and would explain the difference.

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**Manager's Report: Art Burke**

The bookkeeper and office assistant are working toward completing training to allow accounts payable to be back in our control by next month. Work is also underway to outsource payroll by the end of the month.

A hard drive in one of the office computers failed recently resulting in staff having to share time on the remaining terminals. As a part of replacing the hard drive it was discovered that the MS Office software on the computer was counterfeit. The software had been purchased from a reputable source by our tech contractor. Work is underway to replace the software. We will be receiving a refund for the purchase.

The Watershed Bell has been installed in front of the Clubhouse. Thank you to member Bob Carter and his family for thinking of Cape George as a recipient of this beautiful piece of art. A wonderful dedication took place over the Labor Day weekend and Bob was joined by family members and Cape George members to celebrate its installation. Also thank you to all of the Marina and Workshop members who jumped in and constructed a great belfry to display the bell. Mac McDonald coordinated all of these efforts and even donated the cedar timbers for the belfry – thanks Mac, all of the teams efforts have paid off and the belfry and bell look great!

Office Assistant Sharon Mitchel provided the following updates and reports:

- Third trimester payments have been streaming through the door. Sharon requests that everyone pay close attention to the amount due on the payment sheet and be sure to not over or underpay as this causes costly accounting follow up.
- Sharon is looking for someone to assist with managing the Clubhouse rental check in and out procedures.
- Thanks to members Robin Scherting, Ray Pierson, Karen Bednarski and Katy Habegger for filling it at the front desk during Sharon's vacation.
- As a reminder the office hours are Monday through Friday, 9am-2pm.

Miscellaneous projects taking place in the community include:

- Water Manager Greg Rae and Donnie have rebuilt a couple of valves at the tank farm.

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

- Light complaint in the Village.
- Report of abandoned car in the Clubhouse parking lot.
- Complaint of a speeding truck in the Colony.
- Complaint of barking dog in the Village.
- Complaint of dog and cat doing property damage in the Highlands.

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Building, Environmental, Marina and Water Advisory. The reports are attached to these minutes and incorporated by reference.

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**Information Items:**

- A. The Manager, Art Burke and Trustee, Penny Jensen are scheduled to attend the pre-application conference meeting with Jim Johannesen from Coastal Geological Services and Jefferson County Department of Community Development later this month. The issue of funding options will be forwarded to the October Study Session.
- B. The bookkeeper completed the second marina reconciliation of moorage and trailer parking. A third reconciliation will be conducted and reported on in October.
- C. The discussion of property maintenance regulations will be further discussed at the October Study Session.

**Member Participation:**

There was no member participation at this time.

**New Business Action Items:**

**Motion 1:** Karen Krug moved and Ray Pierson seconded that the Board direct the Manager to issue a second Notice of Violation dated September 12, citing, per the Covenants, the failure to complete the exterior of a building at 130 Johnson Avenue within six months of the start date listed on the Building Permit as July 26, 2012 and assess a fine of \$300.00 per month (Fine Schedule #8) to Ms. Wei Zhou . At such time evidence of completion of the exterior of the building, including painting, is provided, the Board may consider abeyance of a portion of the then incurred total fine. Passed 4/0

**Motion 2:** Karen Krug moved and Carol Wood seconded that the Board adopt as submitted by the Finance Committee on June 27, 2013 and subsequently published for Member comment, the additions to FIN02. The additions are primarily to ensure compliance with statutory requirements relating to budgets and reserve studies. Passed 4/0

**Motion 3:** Penny Jensen moved and Ray Pierson seconded to approve the surface water drainage plan as submitted and authorize the manager to pursue acquiring the permit for this project through the appropriate agencies. Passed 4/0

**Motion 4:** Carol Wood moved and Penny Jensen seconded to approve a list of Committee Chairs and where applicable, members, as submitted. Passed 4/0

**Motion 5:** Penny Jensen moved and Ray Pierson seconded to approve the proposed revisions to the Building and Property Regulation related to roof pitch and temporary storage containers as submitted by the Building Committee and authorize the changes to be placed on the fall ballot for member vote. Passed 4/0

**Motion 6:** Ray Pierson moved and Carol Wood seconded to approve a request from Port Townsend Marine Science Center to place an educational sign at Cape George in the vicinity of the shoreline. Passed 4/0

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**Motion 7:** Karen Krug moved and Ray Pierson seconded that based on the three bids submitted by asphalt contractors for repair of portions of the Cape George Colony Club roads and based upon the recommendation of the Roads Committee, the Board authorize the Manager to enter into a contract with Lakeside Industries, based on their bid of August 12, 2013 in the amount of about \$6,940, plus sales tax where applicable. Passed 4/0

**Motion 8:** Ray Pierson moved and Karen Krug seconded a Resolution to transfer \$970.63 from Marina Reserves to General Checking Account and \$2911.87 from Special Assessment Account to General Checking Account for the Seawall Replacement Project, MW Hillman Consulting - \$382.50 and MC Squared, Inc. - \$3500.00. Passed 4/0

**Motion 9:** A potential motion to schedule an additional Special Board Meeting in October to review Capital and Reserve Budget items was withdrawn.

**Open Board Discussion**

The Board expressed disappointment that the Reserve Assessment didn't pass this time. They discussed potential next steps on funding the reserves in accordance with the bylaw passed last year by the membership. Preliminary issues regarding: the 2014 budget were discussed, including Cape George regular assessment amounts.

**Announcements:**

- A. Study Session – October 8, 2013, 3:00 p.m.
- B. Board Meeting – October 10, 2013, 7:00 p.m.
- C. Special Board Meeting on the Budget – October 17, 2013, 3:00 p.m.

**Motion 10:** At 8:05 p.m. Penny Jensen moved and Ray Pierson seconded to adjourn to Executive Session to discuss a member rule violation. Passed 4/0

Discussions at the Executive Session are confidential

Ray Pierson moved and Karen Krug seconded to adjourn the Executive Session at 8:30 p.m. Passed 4/0

When the regular board meeting was resumed, the Board directed the Manager to send a letter to the owners of 41 Dennis Blvd. regarding non-compliance in securing occupancy permit.

**Adjournment:** Carol Wood moved and Karen Krug seconded to adjourn the Board meeting at 8:32 p.m. Passed 4/0

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Submitted by:

Approved by:

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Carol Wood, Secretary

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Richard Hilfer, President

CAPE GEORGE COLONY CLUB  
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**Committee Reports**

**Building Committee  
September 3, 2013**

Building Permits Issued:

- Stephen Payne: 190 N Rhododendron Dr., Colony, build a shed.
- Carl Schwersinske: 113 Vancouver Dr., Colony, build a shed.

**Environmental Committee  
September 9, 2013**

**IN ATTENDANCE:** Art Burke, Penny Jensen, Norma Lupkes, Kitty Rucker, Steve Shapiro.

**I. CALL TO ORDER:** The meeting was called to order at 9:20 A.M.

**II. APPROVAL OF MINUTES:** The minutes of the August 12 meeting were approved as corrected.

**III. FISCAL REPORT:**

A. We currently have \$2,465.69 in our account. The amount dedicated to the Berm Fund is \$1171.41. This includes money from last year's dance - \$266.66, money from shirt sales \$421.00, money from this year's dance, the movie on the beach and donations is \$354.75, and money from additional donations is \$130.00.

B. Because there were so many checks being handled this week, Sharon could not tell us what was covered in each deposit.

C. Penny said that she thought that receipts should be given to people for each deposit made.

D. Art said that the office will no longer be handling our account after this month. Tom Ramsey will be collecting money, balancing the budget, and auditing committee monies. He will give receipts on all deposits, and will keep track of what is covered in each deposit.

E. It was suggested that we designate the money in our berm fund to plants for the berm. If there is extra money after that, we can put it toward other expenses, such as moving the covered pavilion.

**IV. OLD BUSINESS**

CAPE GEORGE COLONY CLUB  
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**A. Bell Dedication Report:** The family dedication went very well.

1. We had been planning to have a large community dedication in October, but we decided that that would not be necessary now.

2. Kitty will send thank you notes to Bob Carter for giving us the bell, the Marina people for making the belfry, and Tom Jay for creating the bell and giving such a nice explanation of its origins.

3. Kitty will also write an article for the newsletter about the bell and its dedication.

**B. Berm Report:**

1. Art told us that the process is moving along nicely. He will be meeting with the engineer from Coastal Geological to make sure that everything has been done to prepare for the berm. They will meet with people from the Jefferson County Planning Department to make sure that all permits are done properly.

2. There will later be an informal meeting with the State to let them know what we are doing. They do not need to approve our plans since the berm will not be on the water.

**C. Bucks For The Berm Dance Report:** We had about 35 people at the dance. We made \$179.75 at the door and \$210.75 in additional donations (there are still donations coming in). Everyone had a good time. We still have left-over snacks that can be used for the dinner on October 19.

**D. Letter To the Board on Berm:** The committee voted to have Kitty send a letter to the Board asking them to begin working to approve an assessment for building the berm as soon as possible.

**E. Caribbean Dinner:**

1. Dennis, the person in charge of the dinner, was not at the meeting.

2. In his absence, we voted to have the dinner be a potluck and to request a donation for each person attending of \$5.00. Dennis had asked that it be \$10, but people who have had experience with dinners felt that people would not be happy to come if they had to bring a potluck and pay \$10.

3. For this \$5.00 donation each person will be given a ticket for a drink.

4. Drinks suggested were pineapple juice and coconut rum, and other drinks that have a Caribbean feel. It was felt that they should not be too complicated.

5. We will make final decisions on drinks, decorations, and music at the October 14 meeting when Dennis will be there.

**V. NEW BUSINESS**

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**A. Ways to Raise Money for the Berm:**

1. We discussed having a raffle for a "basket of cheer" with a Caribbean motif.
2. We asked Norma to ask at the golf course if they would donate a round or two of golf to be raffled off.
3. Steve Shapiro told us that we would have to check out getting a permit to have a raffle.
4. Kitty read the information that Steve gave her and called the Gambling Commission to check if we needed to be a licensed group or if we could be unlicensed. They said that since we were a non-profit group, would only sell tickets to members, and would not earn more than \$5000 dollars in a year, we could be non-licensed. We would only have to alert the police of our event.
5. We plan to have the raffle at the dinner in October.
6. We discussed having A Christmas boat tour to see the Christmas lights on Lake Union. We had done this several years ago. You rent the Whale Watching Boat for the night and sail down to Lake Union to see the lighted boats. We could charge enough to make a profit after paying the rental fee. Kitty will call Whale Watchers to get details on rental fees and will report back with information at the next meeting on October 14.
7. Protection Island Booklet: Several years ago we printed a book on the history of Protection Island and sold it for \$5.00 each. Since we have many new members, it might be time to do this again. The committee was not happy with the content appearance and asked if it could be retyped or cleaned up to make it more professional. Steve Shapiro said that he would check to see if he could find the materials on line so that clean copies could be used. He will report back in October. Norma, Steve, and Penny said that they thought that they could retype 1/3 of it each and have it ready for sale in December.
8. Drawing of the Olympic Mountains made by Barbara Hinchliff. She gave us permission to use it for fund raising. I forgot to bring this to the meeting. I will bring it for the October meeting.

**B. Landscaping The Area Around The Bell:**

1. Betty Hanks and Kitty talked about this at the dedication. Since Betty was not at the meeting today, the committee made the following decisions.
2. We will clear out the kinnikinnik from under the bell, take out the mugo pine and put in gravel under the bell and in a path going around the bell.
3. There will be a work party on Wednesday, September 18, at 10 A.M. If you would like to help, please feel free to come.

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**C. Weeds On The North Side Of The Clubhouse:** Dean Shinn suggested that we remove the weed cloth there and all of the rocks when we are building the berm because it is full of weeds. We decided to wait until Dean could be at the meeting to further explain and to see if he would be willing to head this project. It would be quite a lot of work and pretty expensive.

**D. Chairman of the Environmental Committee:** Kitty said that she would be willing to continue as chairperson if the committee was all right with her being gone for the months of January and February. She said that perhaps Gretchen would be willing to handle the emergency list in case there is another flood and perhaps Robin would be willing to be temporary chairperson in case an emergency should arise that required a meeting as she did last year. Norma said that she would be willing to act as temporary chairperson if Robin is not able to do it. There would be no scheduled meetings in those months since it is our slow time. The committee agreed that this would all right.

**VI. ADJOURNMENT:** The meeting was adjourned at 10:40 A.M.

## **Marina Committee September 3, 2013**

There were 18 members present, including Kitty Rucker, Environmental Committee Chair.

Kitty Rucker brought the Marina Committee up to date on efforts to raise money for the protective berm to be built near the gazebo and clubhouse. Kitty advises that the estimated costs of the berm are \$42,000. To date her committee has raised a little more than \$1,100, and that any donations by the Marina Committee would be appreciated. Her idea is to attempt to reduce the amount of a Special Assessment to the membership.

The issue of freezing Marina Committee spending for an indeterminate period of time was discussed. The \$100,000 commitment of Marina reserves for construction of the North Sea Wall project being the reason for the spending hiatus. Presently there is \$84,000 in Marina reserves, leaving a potential \$16,000 deficit that would be borne by the Marina Committee. It was determined that any further maintenance projects will be deferred until final bids on the Sea Wall project are in and the outcome of the Reserve election is known.

The Annual Cape George Waterfront Festival was a huge success with over 150 members and friends participating. It was decided that the 2014 festival will be Sunday, August 17, and that Penny Jensen would serve as Event Coordinator. The cost of the 2013 festival was \$965 and was covered by proceeds of the Marina Sale.

The Marina Committee's Fundraising account has a balance of \$3,859. It was decided that the Committee would not touch these funds until it can be determined the outcome of those circumstances that led to the self-imposed spending hiatus.

Flooding of the Community Workshop was discussed. It was noted that heavy rains will now flood the workshop, since existing underground drains have ceased to function. The possibility of installing a

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sump and pumping water to a drain field that would be installed in the dog park area was discussed. Mac McDonald volunteered to crunch the numbers that can be presented to the Board. In the meantime, members were urged to keep valuable tools and other assets off the floor of the workshop.

Kris Easterday requested the Committee make an exception to the 12 foot beam rule, since her boat has a 13 foot beam. The Committee is familiar with her boat and the fact that she and her husband Mike Heckinger recently installed a bow thruster to aid in maneuverability. A motion was made by Ben Fellows and seconded by Gary Rossow, that the Committee recommend placing them on the waiting list, to be confined to the 6 large slips on G dock. Also, necessary proof of insurance was noted. The motion passed with 17 approving and 1 against.

Gary Rossow advised that the entire Marina is experiencing electrical issues with AC voltages being measured in ground/neutral lines. Gary has had to replace two expensive propeller shafts. Other members advise their sacrificial zincs are eaten up in 2 months. A motion was made by Gary Rossow and seconded by Ross Anderson, that the Committee requests that the CG Manager get Double D Electric to troubleshoot the Marina and that an outside expert is hired to determine DC voltage hotspots in the Marina that are likely to be emanating from member boats. The motion passed with all in favor.

Carl Schwersinske will follow up with the Cape George Manager, on restoration of the flagpole that was removed pending the North Sea Wall project. The Committee feels it is a community asset and not that of the Marina.

Gary Rossow requested that the Committee budget \$500 in 2014 for a diver to inspect and possibly clean the mooring buoys.

### **Water Advisory Committee September 3, 2013**

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

1. Water rights status – No new information, still pending for our attorney to set up a meeting with DOE now that the WSP response has been submitted.
2. Water System Plan (WSP) – The complete response to the DOH comments and requests has been submitted to DOH and we have confirmation that it was received but no one has heard anything back yet.
3. Greg said that a pump that supplies pressure to the high zone in the Highlands is not holding that pressure to the uppermost customer. They believe it is due to a worn part in the pump valve and have contacted the supplier who wants to sell us a new valve to replace it. Greg is asking for just the replacement parts so we can repair it rather than buy a new one. Similarly,

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there is a valve in the treatment system that is not seating completely and also needs to be repaired.

Greg also said that we had a peak day of 217,000 gallons of water delivered this summer which is less than our historical peak day.

4. Nothing new to report from Stew because the next meter reading cycle will be later this week or next.

The next meeting will be on **October 1, 2013 at 5 pm at the Office.**

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

- A. Welcome
- B. There will be an Executive Session immediately following the Board Meeting to discuss employees.

**In Attendance:** Richard Hilfer, Ross Anderson, Carol Wood, Karen Krug, Michael Hinojos, Penny Jensen, and Ray Pierson.

**Action on Minutes:** Carol Wood Moved and Karen Krug seconded to approve the September 10, 2013 Special Board Meeting Minutes. Passed 6/0

Carol Wood moved and Ray Pierson seconded to approve the September 12, 2013 Regular Board Meeting minutes. Passed 6/0

**Membership Report:** Carol Wood

- Bradley & Bonnie Taylor purchased 241 Colman Drive from Federal National Mortgage Association
- Susanne Ericson purchased 201 Pine Drive from David & Kerri Bradley
- Richard & Ellen Hargis purchased 55 Queets Place from Bill & Mikel Stull
- Monique & C Brad Flickinger assumed ownership of 121 N Palmer Drive from David Irish & Carol English
- John & Valerie McElroy purchased 321 Sunset Blvd from Joel & Amy Postma
- Gene & Christine Buzzard purchased 173 N Rhododendron from Charles & Elizabeth McCaffrey

**Treasurer's Report:** Karen Krug

**TREASURER'S REPORT  
As of September 30, 2013**

**Total cash and investments at month end were** **\$895,889**

This amount is comprised of:	General checking	\$150,182
	General savings (Ops Investment)	70,013
	Two petty cash accounts	600
	and CDs and Money Markets	675,094

All accounts with financial institutions have been reconciled through September 30, 2013. No new accounts have been opened and no accounts were closed during the period.

**The CDs and Money Markets are primarily Reserve accounts were** **\$675,094**

The amounts are allocated as:	General Reserves	\$121,437
	Water Reserves	194,183
	Marina Reserves	83,420
	Special Assessment - North Seawall	276,054

The North Seawall account held at Chase, is slightly over the \$250,000 FDIC limit. This is thought to be a temporary situation and will be reassessed in November to determine the need for a second account to satisfy the requirements of FIN09.

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**Total routine accounts receivable, net of allowance for uncollectible were** **\$20,130**

The current receivables are very high given that the final trimester payment was due September 1. All individuals with open accounts as of Sept. 30 will be assessed a late charge. During the final quarter of 2013, accounts will be reviewed to determine which should have liens placed against the balance due in order to protect other Members.

**Unearned revenue has been all but eliminated as would be expected with the final 2013 trimester payment due on Sept. 1.** There is only \$637 in general prepayments, nearly all traceable to a single account. Marina waiting list shows \$600 in payments.

**Year-to-date total net Revenue and Expenses (Net Income) of \$206,592 is favorable when compared to the originally budgeted annual net income of \$66,221.** Even with three months of operations remaining it does appear that on a combined basis, the original budget target will be reached. Since the original net income budget target is considered a quasi-contract to transfer funds to Reserves, November discussions will include transferring the budgeted portion prior to year-end.

**By individual cost center operating performance was:**

**General operations year-to-date Net Income was \$102,445 compared to the budget of \$78,951.**

A reclassification of \$6,800 was made in September to remove from current operations debts previously thought to be uncollectible but actually collected this year.

**Water operations year-to-date Net Income was \$77,371 compared to the budget of \$79,507.**

The continuing costs for the Water System Plan (WSP) remain of concern and have nearly reached the the \$15,000 by-law cap. Since starting this iteration of the WSP, nearly \$60,000 has been spent in consulting fees. The Water Committee is scheduled to present its plan for completion at the November study session.

**Marina operations year-to-date Net Income was \$25,607 compared to the budget of \$14,762.**

Marina operations should perform strong enough through year end to cover the current shortfall in the North Seawall commitment although expenses related to electrical problems could materially impact that performance.

**SPECIAL ASSESSMENT FOR NORTH MARINA SEAWALL - Collection and Expenditure Information**

Total Special Assessment approved by Members	<b>\$293,928</b>	Cash collected thru 9/30/2013	\$287,297
662 equivalent lots @ \$444 each		Past due Receivable as of 9/30/13	6,483
Bad debts written-off thru 09/30/2013	(148)	Anticipated uncollectibles on 12/31/13	<u>(2,294)</u>
Bad debt allowance thru 09/30/2013	<u>(2,294) (1)</u>	Calculated Special Assessment	<u><u>\$291,486</u></u>
 Expected Net Special Assessment	 <u><u>\$291,486</u></u>		
 <b>Special Assessment Cash Balance:</b>		<b>Marina Reserve Contribution:</b>	
Cash collections through 9/30/2013	\$287,297	Total	\$100,000
Plus: Total Interest income (4305-007 - thru 8/31/13)	365	Less: Actual draws (thru 9/30/13)	<u>(3,870) (2)</u>
Less: Actual draws for expenses (thru 9/30/13)	<u>(11,608) (2)</u>	Balance as of 9/30/13	\$96,130
Net Cash In Special Assessment Account	<u><u>\$276,054</u></u>		
 Expenditures not yet drawn as of 9/30/13 = \$607	 (2)	Expenditures not yet drawn as of 9/30/13 = \$201	 (2)
 GL Balance (1108-007) as of 9/30/2013	 <u><u>\$276,054</u></u>	GL Balance (1108-003)-9/30/13	<u><u>\$83,420</u></u>
		Current Shortfall @ Maximum	<u><u>\$12,710</u></u>

**NOTES:**

- (1) It is anticipated there will be additional actual bad debt write offs by year end.  
(2) Total preliminary project costs to date are \$16,286 (CIP-#1491-001). By Board decision, 75% of all N Seawall expenses are to be from Special Assessment funds (\$12,215 - \$11,608 actually drawn) with the remaining 25% from Marina Reserves (\$4,071 - \$3,870 actually drawn).

MANAGER'S REPORT: Art Burke

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I received a follow up report from member (and Safeway Pharmacist) Steve Shapiro that the annual flu shot clinic at the Clubhouse was described as a "BIG Success." This year 84 immunizations were delivered by trained Safeway staff to Cape George members. Stay healthy, Cape George!

The contract for the loan of the Watershed Bell to Cape George was signed by Bob Carter and Art Burke.

The sand filter at the pool failed after many years of service. This resulted in the pool being closed for approx. 6 days while a replacement was ordered, shipped, installed and allowed to filter the water for a day prior to being reopened.

A corrosion survey was conducted in the marina earlier this month by Port Townsend Shipwrights. As a result of a number of safety issues that were identified as a part of the survey, we will be working with an electrical contractor to address the safety concerns immediately.

Earlier this month we were notified that one of our routine water samples came back from the lab as unsatisfactory. Once an unsatisfactory report is received we follow a set protocol established by the Washington State Dept. of Health. This includes inspecting storage tank and well access covers, and all other points of potential contamination. It also involves an immediate retest from five locations and additional follow up tests. The first round of these tests has come back satisfactory. We will continue conducting the additional tests; however we are feeling confident that this is likely an isolated event caused by something not from our water, but rather something picked up during the testing procedure.

Office Assistant Sharon Mitchel provided the following updates and reports:

- The battery backups have been replaced at Sharon's workstation and new one installed at the Bookkeeper's workstation.
- Marina registration forms will be going out in the next few weeks. Everyone is encouraged to pay close attention to the required forms that need to accompany each registration.

Miscellaneous projects taking place in the community include:

- Winterization efforts are underway at most of the facilities ranging from clearing vents, treating moss on the roof, etc.

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

- Newspapers being stolen from boxes in the Colony.
- Coyotes behaving aggressively in the Colony.

**Committee Reports:**

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The following committee reports were submitted to the Board of Trustees: Building, Marina, Pool and Water. The reports are attached to these minutes and incorporated by reference.

**Information Items:**

- A. The Manager and Trustee Penny Jensen met with Jim Johannessen from Coastal Geologic Services and Jefferson County Department of Community Development for a pre-application conference on the proposed berm project. Additional information has been requested by DCD and will be provided by CGS.
- B. The Trustees received an update from the Seawall Task Force Chair Bruce Candioto concerning the proposals received from contractors. A meeting is scheduled on October 11<sup>th</sup> to discuss project costs with one of the contractors.
- C. The Trustees reviewed a request from the Marina Committee to revise rule #17 of CP03 Marina Usage having to do with boat size limitations. The Trustees directed the Manager to publish the proposed changes in the November newsletter for member comment and include on the November Study Session agenda for further discussion.
- D. The Trustees authorized the Manager to proceed with contracting with Double D Electric to correct safety issues identified in the Corrosion Survey conducted by Port Townsend Shipwrights.
- E. The discussion of property maintenance regulations will be further discussed at the November Study Session.

**Member Participation:**

There was no member participation.

**New Business Action Items:**

**Motion 1:** In response to previously discussed corrective actions to improve the existing drainage near the workshop and clubhouse, Karen Krug moved and Ray Pierson seconded that the Board direct the Manager to proceed with the rehabilitative surface drainage project to the extent that additional information should be gathered and if practical, appropriate permits and necessary engineering drawings can be obtained at a cost not to exceed \$2,500, this is to be 2013 general operating expenditure. Passed 6/0

**Motion 2:** Michael Hinojos moved and Ray Pierson seconded to direct the Manager to coordinate an informational membership meeting with Jefferson County Public Health Representatives who will explain the East Jefferson Clean Water Project relating to contamination of Discovery Bay caused by septic systems. Passed 6/0

**Motion 3:** In response to recommendations made by C&C at the conclusion of the 2012 audit and considering prior quarterly topic specific updates, Karen Krug moved and Michael Hinojos seconded that the Board ratify as presented, both the third quarter Clubhouse rental revenue reconciliation and the

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year-to-date Marina Moorage revenue reconciliation including changes to operating practices contained therein. Passed 6/0

**Motion 4:** Carol Wood moved and Karen Krug seconded to ratify updates to the General, Water and Marina reserve schedules as presented by the manager. Passed 6/0

**Motion 5:** Ray Pierson moved and Penny Jensen seconded to adopt updated job descriptions EMP02-c Office Administrator and EMP02-f Senior Bookkeeper as presented by the Manager. Passed 6/0

**Motion 6:** Ross Anderson moved and Michael Hinojos seconded to renew flood insurance policies for the Workshop and Clubhouse as submitted by Selective Insurance. Passed 6/0

**Motion 7:** Ray Pierson moved and Michael Hinojos seconded a resolution to transfer \$201.88 from Marina Reserves to General Checking Account and \$605.62 from Special Assessment Account to General Checking Account for the Seawall Replacement Project, MW Hillman Consulting -\$807.50. Passed 6/0

**Motion 8:** Michael Hinojos moved and Ray Pierson seconded to approve 8 member requests for a due date adjustment. Passed 6/0

**Open Board Discussion:**

The Board discussed funding for the berm project needed to preserve our beach and adjacent buildings. A special assessment will be included as a part of the 2014 budget package. A motion for this election measure will be presented at the Budget Meeting October 17, 2013.

As required by law, our annual Reserve Disclosure will be included in the Budget Package. The Board reviewed the comments submitted in response to the survey of members re: reserves and began a discussion of a future reserve assessment proposal.

Karen Krug suggested presenting routine information at the Board meetings via a "Consent Agenda." This would include typical reports such as the Treasurer's Report and New Members Report.

**Announcements:**

- A. Special Board Meeting on the Budget – October 17, 2013, 3:00 p.m.
- B. Study Session – November 12, 2013, 3:00 p.m.
- C. Board Meeting – November 14, 2013, 7:00 p.m.

**Motion 9:** Karen Krug moved and Michael Hinojos seconded to adjourned to Executive Session at 8:00. Passed 6/0

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**Motion 10:** Ray Pierson moved and Penny Jensen seconded to resume the Regular Board Meeting.  
Passed 6/0

**Motion 11:** Karen Krug moved and Ray Pierson seconded to increase Sharon Mitchel's hourly rate by \$2.00 at the next pay cycle, to increase Sally Lovell's hourly rate by 4% beginning January 2014 and to increase Art Burke's, Sharon Mitchel's and Donnie Weathersby's wages by 2% beginning January 2014.  
Passed 6/0

**Adjournment:** Penny Jensen moved and Michael Hinojos seconded to adjourn the board meeting at 8:55 p.m. Passed 6/0.

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**Carol Wood, Secretary**

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**Richard Hilfer, President**

**COMMITTEE REPORTS**

**BUILDING COMMITTEE**

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**October 6, 2013**

Demolition Permit Issued:

Robert Felber: 141 Alder Dr Village  
Demolition & removal of single wide mobile home accomplished of September 16 & 17.

**MARINA COMMITTEE**

**October 1, 2013**

There were 12 members present including Cape George Manager, Art Burke.

**Electrical Issues**

As a result of a unanimous vote in September by the Committee, Art Burke (aka Cape George Colony Club) hired a Marine Electrician to measure both AC and DC leakage. Emphasis was placed on dock power receptacles, concerns about galvanic corrosion, and accelerated zinc usage. The Marine Electrician identified a number of areas where there are problems with AC leakage in the Marina. His recommendations were, "corrective action must be made to ensure that this wiring and all connections are safe and have low impedance. A licensed electrician should be hired to further investigate and repair these issues". Cape George Manager, Art Burke has contacted Double D Electric in an effort to assess the monetary extent of the problem.

**2014 Marina Budget**

Members of the Committee were not in total agreement with 2014 fees. Gary Rossow made a motion which was seconded by Galen Peterson that moorage fees remain the same at \$24/foot. The motion failed with 6 against, 4 in favor, and 2 abstaining.

Next, John Hanks made a motion which was seconded by Bob Schlentner that moorage fees be raised to \$25/foot and economy slips going for \$16.50/foot. The motion passed with 6 in favor, 3 against, and 3 abstaining.

Cape George Manager, Art Burke stated that electrical hook-up fees were insufficient to cover costs. Gary Rossow made the motion which was seconded by Brian Ritchie that dock electricity fees be raised to \$125/year from the present \$95 (the amount recommended by Art Burke). The motion passed with 10 in favor and 2 abstaining.

**Marina Regulation CP03**

In September the Committee voted to allow a vessel wider than 12 feet a permanent moorage in the Marina. It was later pointed out by Art Burke that this was contrary to CP03, Marina Rules and Regulations. As a result of discussing the issue, Gary Rossow made a motion which was seconded by Penny Jensen we keep the 12 foot rule and add the statement: "the Harbormaster has the discretion to make exceptions to the 12 foot rule". The motion passed with 10 in favor and 2 abstaining.

**Watershed Bell**

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Marina Committee members were instrumental in supplying labor, material, and engineering expertise in erecting the belfry and the bell itself. Chair person, Tom Ramsey informed the Committee of the many thanks received from the community for their efforts.

**Moorage Fee Calculation**

The question arose whether more monies should be received for a wider and heavier boat moored in the Marina. Presently the Cape George Marina charges by length only. It was noted that the Port Townsend Boat Haven uses a sliding scale that reflects length, width, windage and perhaps weight. Brian Ritchie volunteered to investigate fee calculation alternatives.

**POOL COMMITTEE  
September 3, 2013**

**ATTENDEES:** Rocky D'Acquisto, Chair, Norma Lupkes, Jim Fling, Penny Jensen, Robin Scherting

The very successful Water Festival held on Sept 17 was supported by the Pool Committee with a demonstration of water aerobics exercise in the pool by Sharon Mitchel and Norma Lupkes and an explanation of the regular water exercises by Robin Scherting and Leanne Ryan.

Addressing the ongoing HVAC/humidity issue has been tabled until the reserves vote has been completed.

The committee would like to encourage pool users to be more diligent in the use of swim diapers for babies/toddlers after a couple of recent incidents. Robin will investigate the pool rules as they apply to this usage and will report at the next meeting.

The random sampling of the pool usage logs has not been done yet. It will be scheduled sometime in the in the near future.

The cleanliness of the showers in the dressing rooms was again discussed. It was suggested that a plastic cabinet be purchased to hold some supplies for the frequent pool users to assist in the everyday cleaning of the showers. Rocky will contact the service who cleans the showers weekly and have a discussion with Art about the process. The shower curtains have been put on a schedule for regular cleaning.

**WATER ADVISORY COMMITTEE  
October 3, 2013**

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

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1. Water rights status – No new information, still pending the outcome of DOH review of our WSP response and then take it up again with DOE.
  
2. Water System Plan (WSP) – We have not received any formal comments back from DOH on our response to their request for additional materials/information. The engineer that is doing the review was scheduled to start work on it today. We have some concern based on a phone discussion with Art that they may still have some additional comments or requests that we'll need to address. It is our expectation that we'll schedule a face-to-face meeting in Olympia once we receive their comments. We've got to push for final closure of the DOH review process because it has just gone on too long.  
Karen asked that we prepare a comprehensive overview of the WSP, the process and the status for the Board at their Study Session on November 12. This Board has not really had an overview since the project began several years ago. She is also is concerned about the continued expenses, having already spent over \$65,000 in fees to NTI, mostly for work on the WSP. We hope to have feedback from DOH before that time to include in the discussion next month. Art and Larry will work on a presentation for the Board and we'll discuss it at our own meeting on Nov. 5.
  
3. Since our last meeting, we received an email notice from DOH on September 13 (after our last meeting) that the Utilities and Trade Commission (UTC) has proposed changes to the WA Administrative Code (WAC) that would bring all water-providing homeowner associations under rate-making jurisdiction of the UTC. That would be a substantial additional burden and expense for Cape George. The UTC has statutory rate-making jurisdiction over for-profit utilities (e.g. Puget Sound Energy) but specifically exempts municipalities. The current WAC also exempts "Homeowner associations, cooperatives and mutual corporations, or similar entities that provide service only to their owners or members." We fall under that exemption. The proposed rule-making just eliminates that exemption without any specific clarification. There have been previous decisions by the State Supreme Court on this matter that would have to be resolved.

The UTC web site notes that they made the proposal public on August 21 with a comment period closing on September 23 (before our current meeting). We briefly reviewed it but didn't make comments to the UTC. The UTC web site shows that they received 24 written comments, all opposed to the rule changes. A brief review of the written comments also suggests a substantial, organized (e.g. identical text in some of the letters) opposition by many much larger entities than Cape George. Larry has left phone messages to the UTC staff to find out where this process is going and will report out any response by email.

4. Greg said he has ordered repair kits for 4 valves on the water filtration system at a cost of around \$300 total and that he can make the repairs (change out the diaphragms). We also discussed other maintenance issues for the filter but don't expect any significant issues.

We also discussed the need for the replacement of our water service meters being included in the water reserves plan (we need to determine if they are now included or not). The current

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water meters were installed around 5 years ago and the expected life is 20 years. We need to determine from the manufacturer just what repair options would be recommended and what they would cost. Can we just replace the depleted batteries or the part of the meter that contains the batteries or just the working portion of the meter without having to completely replace the meters. Ed said that there is no real financial incentive to spend much on a replacement program effort because our water revenue isn't based on meter reading except for the few members that use more than the allocated base amount. The meters are required for purposes other than revenue.

Greg also reported that we had a single bad water quality sample last month but that the re-test sample was ok so it was determined to be a contaminated sample (that can happen by just being a little careless with taking the sample, such as touching the water sample with your finger).

5. Stew reported that the meter reading system is now producing very reliable information and the bugs have been pretty well resolved. With that information, he has been able to successfully address water leaks and has that number down to an acceptable level. One leak in particular could be contributing to a recent slide on the lower portion of the bluff below Sunset Blvd but that can't be definitively determined.

The next meeting will be on **November 5, 2013 at 5 pm at the Office.**

CAPE GEORGE COLONY CLUB  
SPECIAL BOARD OF TRUSTEES MEETING  
OCTOBER 17, 2013  
3:00 PM

**President Richard Hilfer called the meeting to order at 3:05 p.m.**

A. Welcome

**In Attendance:** Richard Hilfer, Ross Anderson, Carol Wood, Karen Krug, Penny Jensen and Ray Pierson

**Motion 1:** Karen Krug moved and Ray Pierson seconded to remove the South Seawall Project from the Reserve Schedule. Passed 5/0

**Motion 2:** Karen Krug moved and Carol Wood seconded to approve the Reserve Disclosure forms with typos corrected, including the notation that the entire reserve study will be available on our website November 1, 2013. Passed 5/0

**Budget Presentation – Art Burke and Karen Krug**

- A. Proposed 2014 Revenues – Exhibit A
- B. Proposed 2014 Expenses – Exhibit B
- C. Proposed 2014 Capital Budget/Replacement & Repairs—Exhibit C
- D. Proposed General Assessment and Fees Schedule
- E. End of year and projected reserve account balances

**Board member questions and discussion of proposed budget**

There were no additional questions

**Member participation and questions regarding proposed budget**

A member requested that members not be charged for rampage. She indicated that the County charges \$25 or less while we charge \$90 annually. Our channel restrictions make our marina less accessible than those of the County. She believed ours was a very high cost for intermittent availability, so we should eliminate or at least reduce the cost. The Board advised the member to present this idea to the Marina Committee for consideration.

**Board Recommendations for possible changes to the budget**

There were none

**Motion 3:** Ray Pierson moved and Penny Jensen seconded to approve as prepared and recommended by the Manager the proposed increases in general assessment and fees for 2014. Passed 5/0

**Motion 4:** Penny Jensen moved and Ross Anderson seconded to approve as prepared and recommended by the Manager the proposed 2014 Capital Budget. Passed 5/0

**Motion 5:** Carol Wood moved and Ray Pierson seconded to approve as prepared and recommended by the Manager the proposed 2014 Operating Budget. Passed 5/0

CAPE GEORGE COLONY CLUB  
SPECIAL BOARD OF TRUSTEES MEETING  
OCTOBER 17, 2013  
3:00 PM

**Motion 6:** Karen Krug moved and Ross Anderson seconded to submit the Board recommended budget to the Cape George Membership for their consideration in the November ballot vote. Passed 5/0

**Motion 7:** Penny Jensen moved and Ross Anderson seconded to submit to the membership for approval an \$80 per lot special assessment to fund the berm project to protect our clubhouse and facilities. This assessment will be collected in four equal installments of \$20.00 in 2014. Passed 5/0

**Motion 8:** Penny Jensen moved and Karen Krug seconded to amend the ballot wording in Motion 7 by including that if all assessment funds collected are not needed for the berm project, the unused portion will be refunded to the membership. Passed 5/0

**Need for a follow up Special Board Meeting on the Budget**

If a follow up meeting is needed the date will be determined at that time.

**Announcements:**

- A. November 12, 2013 – Study Session, 3:00 p.m.
- B. November 14, 2013 – Regular Board Meeting, 7:00 p.m.

**Adjournment:** Penny Jensen moved and Ross Anderson seconded to adjourn the meeting at 4:30 p.m. Passed 5/0

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Carol Wood, Secretary

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Richard Hilfer, President

CAPE GEORGE COLONY CLUB  
SPECIAL BOARD OF TRUSTEES MEETING  
OCTOBER 25, 2013  
1:00 PM

**President Richard Hilfer called the meeting to order at 1:00 p.m.**

- A. Welcome
- B. The Seawall Task Force is meeting concurrently with this Special Board Meeting to discuss and make recommendations to the Board on the following:
  - a. Updated project cost proposal from Orion Marine Group
  - b. Used sheet pile availability
  - c. Orion Marine Group contract

**In Attendance:** Richard Hilfer, Ross Anderson, Carol Wood, Karen Krug, Mike Hinojos, Penny Jensen, Ray Pierson

**Open Discussion:**

**Motion 1:** Ray Pierson moved and Penny Jensen seconded to issue a Letter of Intent with Orion Marine Group stating that it is the intent of Cape George Colony Club to proceed with the installation of the North Seawall components as outlined and priced in their quote of October 24, 2013, contingent upon the ability of Orion and Cape George to reach mutually satisfactory agreement on all contract documents. Passed 6/0

**Motion 2:** Karen Krug moved and Mike Hinojos seconded to have the Manager request Orion hold open its bid on the South Seawall until December to allow this project to be presented to Cape George members for a vote. Passed 5/1

**Motion 3:** Karen Krug moved and Ray Pierson seconded that if Orion agrees to hold open its bid, a special assessment of \$150 per lot collected in equal quarterly installments over the next two years be presented to the membership on the upcoming ballot. If passed, the funds would be used to replace the South Seawall. Any funds remaining at the completion of the project would be returned to the membership. Passed 5/1

**Adjournment:** Penny Jensen moved and Mike Hinojos seconded to adjourn the meeting at 2:20. Passed 6/0

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**Carol Wood, Secretary**

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**Richard Hilfer, President**

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
NOVEMBER 14, 2013  
7:00 PM

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

- A. Welcome
- B. Art reviewed status of north seawall contract with Orion Marine Group. Has forwarded the contract to the Seawall Task Force for comment. There are a few more issues to research before signing.
- C. At the request of the Nominating Committee, there will be two "Meet the Candidate" forums conducted in 2014
- D. There will be an Executive Session immediately following the Regular Board Meeting this evening to discuss a potential governing document violation.
- E. This evening, Member Wei Zhou submitted a request that her occupancy permit for the new home at 130 Johnson Avenue be extended. This is not on the agenda but will be considered.

**In Attendance** – Richard Hilfer, Karen Krug, Michael Hinojos, Penny Jensen, Ray Pierson

**Action on Minutes** – Richard Hilfer moved and Penny Jensen seconded to approve the October 10, 2013 Board Meeting minutes. Passed 4/0

Richard Hilfer moved and Penny Jensen seconded to approve the October 17, 2013 Special Board Meeting minutes. Passed 4/0

Richard Hilfer moved and Penny Jensen seconded to approve the October 25, 2013 Special Board Meeting minutes. Passed 4/0

**Membership Report** – Richard Hilfer

**October 31, 2013  
MEMBERSHIP REPORT**

- Michael Thorwick and Shirley Scheier purchased 37 Quilcene Place and lot 37-4 Quilcene Place from Jo Anne Etheridge and Charles Bullen
- Peter and Meagan Kennedy purchased 220 S Palmer from the R Hull Care Living Trust
- Patrick & Delrene Buckley purchased 141 Huckleberry Place from Robert and Gloria Lehnert
- Jane Ludwig & Carol Chandler purchased 130 S Palmer drove from William & Beverly Gruber

**Treasurer's Report** – Karen Krug

**TREASURER'S REPORT  
As of October 31, 2013**

<b>Total cash and investments at month end were</b>		<b>\$873,351</b>
This amount is comprised of:		
General checking	\$126,169	
General savings (Ops Investment)	70,015	
Two petty cash accounts	600	
and CDs and Money Markets	676,567	

All accounts with financial institutions have been reconciled through October 31, 2013. No new accounts have been opened and no accounts were closed during the period.

**CAPE GEORGE COLONY CLUB  
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**The CDs and Money Markets are primarily Reserve accounts were** **\$676,567**

The amounts are allocated as:	General Reserves	\$121,438
	Water Reserves	194,185
	Marina Reserves	83,220
	Special Assessment - North Seawall	277,724

The North Seawall account held at Chase, is slightly over the \$250,000 FDIC limit. This is a temporary situation since the North Seawall will be underway in January and the balance will be continually reviewed against the risks and requirements of FIN09.

**Total routine accounts receivable, net of allowance for uncollectible were** **\$12,612**

The current receivables are very high given that the final trimester payment was due September 1. All individuals with open accounts as of Oct. 31 will be assessed a late charge. During the final quarter of 2013, accounts will be reviewed to determine additional actions that should be taken in order to protect other Members and additional allowances for uncollectibles that should be recorded.

**Unearned revenue has been all but eliminated as would be expected since the final 2013 trimester payment has been made.**  
There is only \$677 in general prepayments nearly all of which is traceable to a single account. Marina Wait List shows \$700 in payments.

**Year-to-date total net Revenue and Expenses (Net Income) of \$169,446 is favorable when compared to the originally budgeted YTD 10/31 net Income of \$137,890.**

It does appear that, on a combined basis, the original budget target will be reached. Since the originally budgeted annual 'net income' is considered a quasi-contract with Members December discussion will include transfers that minimum amount prior to December 31.

**By individual cost center operating performance was:**

**General operations year-to-date Net Income was \$78,914 compared to the budget of \$58,160.**

Higher repair costs in October are the result of minor patches made to roads through the community. Expense recognition for uncollectible account is usually made in November or December so expect higher expenses in that area before year end.

**Water operations year-to-date Net Income was \$67,841 compared to the budget of \$67,813.**

The continuing costs for the Water System Plan (WSP) remain of concern and a comprehensive overview of that process is scheduled for the December meeting. In addition, there will most likely be additional expenses for bad debts associated with water fees.

**Marina operations year-to-date Net Income was \$21,495 compared to the budget of \$11,916.**

Marina operations should perform strong enough through year end to cover the current shortfall in the North Seawall commitment although expenses related to electrical problems could materially impact that performance.

**SPECIAL ASSESSMENT FOR NORTH MARINA SEAWALL - Collection and Expenditure Information**

Total Special Assessment approved by Members	<b>\$293,928</b>	Cash collected thru 9/30/2013	\$289,551
662 equivalent lots @ \$444 each		Past due Receivable as of 9/30/13	4,229
Bad debts written-off thru 09/30/2013	(148)	Anticipated uncollectibles on 12/31/13	(2,294)
Bad debt allowance thru 10/31/2013	(2,294) (1)	Calculated Special Assessment	<b><u>\$291,486</u></b>

Expected Net Special Assessment **\$291,486**

**Special Assessment Cash Balance:**

Cash collections through 10/31/2013	\$289,551
Plus: All years Interest income (4305-007-thru 10)	387
Less: Actual draws for expenses (thru 10/31/13)	(12,214) (2)
Net Cash In Special Assessment Account	<b><u>\$277,724</u></b>

*Expenditures not yet drawn as of 10/31/13 = \$319 (2)*

GL Balance (1108-007) as of 10/31/2013 **\$277,724**

**Marina Reserve Contribution:**

Total	\$100,000
Less: Actual draws (thru 10/31/13)	(4,071) (2)
Balance as of 10/31/13	\$95,929

*Expenditures not yet drawn as of 10/31/13 = \$106 (2)*

GL Balance (1108-003)-10/31/13 **\$83,220**

Current Shortfall @ Maximur **\$12,709**

**NOTES:**

- (1) It is anticipated there will be additional actual bad debt write offs by year end which will slightly change the total amount available.
- (2) Total preliminary project costs to date are \$16,710 (CIP-#1491-001). By Board decision, 75% of all N Seawall expenses are to be from Special Assessment funds (\$12,533 -\$12,214 actually drawn) with the remaining 25% from Marina Reserves (\$4,177 - \$4,071 actually drawn)

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

The Senior Bookkeeper has established our account with an outside service provider to conduct payroll processing. This service will allow direct deposit of payroll and easier tracking of information.

A skinned harbor seal pup was found in the vicinity of the south marina parking lot by a member. The Port Townsend Marine Science Center was contacted and a representative made a site visit to collect the animal for an upcoming necropsy. National Oceanographic and Atmospheric Administration (NOAA) Enforcement officers were notified of the incident. If there are questions about the case or about the Marine Mammal Stranding Network you may call 360-385-5582. Anyone having information related to the seal pup are encouraged to contact Hans Brubaker of NOAA Enforcement offices at 360-815-3581.

We have received the information packet from the CPA firm of Cagianut & Company for the 2013 audit. Senior Bookkeeper Sally Lovell will be completing a first draft of the information forms.

Lakeside Industries has returned to the community to conduct some follow up work on asphalt patching undertaken last month on community roads.

Office Administrator Sharon Mitchel provided the following updates and reports:

- Sharon has begun to gather information concerning making a part of the Cape George website, "Member Only." Once we have a better understanding of what this would entail, the information will be presented to the Trustees for review.

Miscellaneous projects taking place in the community include:

- Ditch maintenance has begun in areas of the community and will continue as time permits through the winter months.
- In anticipation of another high-tide season, we have begun to stage equipment and materials to have on hand in the event a storm from the northwest coincides with a king tide. This includes a large waste pump, sump pump and sand bags.
- The air circulating fan has been replaced in the pool area.

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

- Multiple complaints concerning exterior lighting in the Colony.
- Complaint of dog off-leash in the Highlands.
- Complaint of dog off-leash in the Village.
- Report/complaint of a large amount of beer cans littering the length of Saddle Drive.
- Complaint of howling dog in the Village.

**Committee Reports**

The following committee reports were submitted to the Board of Trustees: Building, Environmental, Marina, Pool, and two Water Committee Reports. The reports are attached to these minutes and incorporated by reference.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
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7:00 PM

**Information Items**

- A. The scheduled discussion with Jefferson County Public Health representatives on the East Jefferson Clean Water Project will be postponed to the December Study Session.
- B. After discussion the Trustees made the recommendation that the proposed amendment to Cape George rule CO03 Marina Usage be modified to include the words “unless authorized by the Harbormaster and approved by the Board of Trustees.” It was further recommended that this modification be reviewed by the Marina Committee for their input and be brought back for further discussion at the December Study Session.

**Member Participation**

There was no member participation at tonight’s meeting

**New Business**

**Motion 1:** Karen Krug moved and Ray Pierson seconded that in response to the Members statement, that the Board leave in force the Notice of Violation dated August 16, 2013 citing, per the Covenants, the failure to complete the exterior of a building at 41 N Palmer drive within six months of the start date listed on the Building Permit as January 28, 2013 and continue to assess a fine of \$250.00 per month (Fine Schedule #8) to Mrs. J. Specht, with the condition that some or all the fine may be waived if the building exterior is completed within 90 days (February 11, 2014) from the date of this motion.

Passed 4/0

**Motion 2:** Karen Krug moved and Michael Hinojos seconded that in response to the Members statement, that the Board direct the Manager to notify Ms. W. Zhou that the fines previously assessed for failure to complete the exterior of a building at 130 Johnson Avenue within the time frame specified in the Covenants will not be waived or abeyed, but that since the exterior of the building has been completed as of the date of this motion, no additional fine will be levied for violation of the completion covenant.

Passed 4/0

**Motion 3:** Penny Jensen moved and Michael Hinojos seconded to extend the occupancy permit deadline for W. Zhou at 130 Johnson Avenue to October 2014. Passed 4/0

**Motion 4:** Penny Jensen moved and Ray Pierson seconded to authorize manager to sign addendum contract with Coastal Geologic Services, Inc. for completion of work on permit acquisition for berm project not to exceed \$3500. Passed 4/0

**Motion 5:** Karen Krug moved and Ray Pierson seconded that the Board ratify, as outlined in FIN 08, the 2013 depreciation lapse schedule included in the November 12, 2013 Study Session packet with depreciation expense calculated through December 31, 2013. Passed 4/0

**Motion 6:** Ray Pierson moved and Michael Hinojos seconded a Resolution to transfer \$106.25 from Marina Reserves to General Checking Account and \$318.75 from Special Assessment Account to

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General Checking Account for the Seawall Replacement Project, MW Hillman Consulting- \$425.00.  
Passed 4/0

**Motion 7:** Penny Jensen moved and Michael Hinojos seconded to approve one member request for a due date adjustment. Passed 4/0

**Open Board Discussion**

A Board member asked when the Mobilisa internet wi-fi will be available at the workshop. It was noted they have not developed a revenue stream utilizing this hot spot. They have agreed to reimburse CGCC for the Century Link Clubhouse wi-fi account until their connection is activated.

**Announcements**

- A. Special Member Meeting – December 10, 2013, 2:45 p.m.
- B. Study Session – December 10, 2013, 3:00 p.m.
- C. Board Meeting – December 12, 2013, 7:00 p.m.

Ray Pierson moved and Karen Krug seconded to adjourn the meeting to Executive Session.  
Passed 4/0.

The regular meeting adjourned to Executive Session at 7:30. Executive Session discussions are confidential.

Karen Krug moved and Ray Pierson seconded to resume the regular Board Meeting at 8:10 Passed 4/0

The Regular Board Meeting resumed at 8:10.

**Adjournment:** Penny Jensen moved and Mike Hinojos seconded to adjourn the regular Board meeting at 8:11.

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Carol Wood, Secretary

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Richard Hilfer, President

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**Committee Reports**

**BUILDING COMMITTEE**  
**October 31, 2013**

*Building Permits Issued:*

John Dwyer, 361 S Palmer, Colony, construct a greenhouse on his property. 10-7-13  
Joel Janetski, 432 Sunset Blvd, Colony, construct a greenhouse on his property. 10-7-13  
Robert Altman, 151 N Palmer, Colony, construct a shed on his property. 10-9-13  
Tom Rice, 341 Sunset, Colony, build a new single family residence on his properties. 10-22-13

*Earthworks Permits Issued:*

Tom Rice, 341 Sunset, Colony, excavation for new home (above). 10-22-13

The Building Committee has been busy this past month with reviewing applications for compliance and inspections for setbacks prior to signing each of the above Building Permit Applications. We also have six houses in various stages of construction that we have been doing inspections on. We are expecting to receive another application for a new home, possibly next week, which will give us seven houses under construction. This is the highest number of houses under construction at the same time since I have been on the Building Committee, at least 10 years.

I do want to thank committee members Bill Deckman, Bob Frenette, Steve Mitchel, and Roger Anderson for being real troopers in responding to notices of meetings, as we have had many this months, with most of them being on short notices. My attitude is that we get our job done asap so that the members can get on with their projects. I am so fortunate to have this supportive team :-)

**ENVIRONMENTAL COMMITTEE**  
**November 11, 2013**

**IN ATTENDANCE:** Art Burke, Gretchen Cooper, Dennis Fellner. Betty Hanks, Pat Hartman, Penny Jensen, Kitty Rucker, Robin Scherting.

**I. CALL TO ORDER:** The meeting was called to order at 9:18.

**II. APPROVAL OF THE MINUTES:** The minutes were unanimously approved.

**III. FINANCIAL REPORT:** We currently have \$3,172.85 in our bank account. Of that, \$1,101.75 is in our Environmental General Fund, and \$2,071.10 is dedicated to the berm project to supplement the expenses for the building of the berm. That will include plantings and other necessary extra items not covered by the assessment.

**IV. OLD BUSINESS:**  
**A. Berm Report**

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1. Art explained that the berm would probably not be built this winter because the Jefferson County Planning Board is requiring many more permits than most counties do.
2. Coastal Geologic Services, our engineering firm is increasing the charge for this extra research and work by \$1500. We may be able to decrease this by doing some of the work ourselves.
3. The berm will probably not be able to built until this summer.
4. Art and Donny are working on temporary reinforcement of the beach by logs and other materials. They also have two pumps that will help prevent future flooding in the shop and the beach area.
5. They also have bags to be filled with sand in case they may be needed for flooding. We will assist in a work party when Donny decided to have one.
6. Kitty will also call the Marina Chair to alert him of this work party.

**B. Financial Report on Dinner**

1. We took in a total of \$852 from drinks, books, pictures, lottery tickets, and people who paid \$5 at the door.
2. We received \$190 from the Social Club for the comps for new members and staff.
3. We had \$215 taken in at the office before the dinner.
4. That is a gross of \$1257.00.
5. We spent \$302 for printing of mountain pictures and Protection I. history books.
6. Leslie and Dennis spent \$226.31 on supplies and food
7. Our total expenses were \$528.31.
8. We netted \$728.69.
9. Suggestions for next year's October dinner.
  - Greek dinner
  - Have different colored name tags for new members so that people can recognize who they are.
  - Have sign-up sheets for different committees so that new members can sign up for the committee in which they are interested.
  - Have Kitty wear her glasses so that she can read the numbers on the lottery tickets.

**C. Fund Raising Projects for the berm** -- We are continuing to sell out mountain pictures and the Protections Island history books in the office. We have sold 10 pictures at \$10 each and 6 books at \$6 each.

**D. Thank you notes** -- Kitty wrote thank you notes to Cookie Tonkunas for the cakes from Donny's birthday party and to Dan Swindler, the pro at Discovery Golf Course, for the 3 golf lessons and the 1 round of golf that were in the lottery.

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**E. Articles For the Newsletter** -- Kitty wrote 3 articles for the newsletter, one thanking the community for their support of our dinner, one asking members to buy the mountain pictures, and one asking them to buy the Protection Island Books.

**V. NEW BUSINESS**

**A. Amy's dogwood** -- We need to keep our eyes open for deer that can rip the fencing and get into the dogwood to eat the leaves. If you see them at work contact Kitty or Sharon so that we can repair the fence. There were 3 deer in the tree area the other day. Kitty chased them and repaired the fence.

**B. Meeting day for 2014** – Pat and Robin wanted to change the day to Tuesday because of problems with the early hour and the day. Steve Shapiro and Gretchen couldn't come on Tuesday. So we decided to keep it on Monday this year.

**C. The Dead Seal** -- Marina workers found a dead seal on the beach. It had been skinned. Art sent out an email blast and asked members to keep their eyes open for this kind of problem and to report any information that they had to the Marine Science Center stranded marine mammals person. They are conducting a necropsy of the seal and will let us know the results.

**D. Vote to adopt the two assessments for the berm and the sea wall.** Please talk to your friends and neighbors and ask them to vote for these because they are so important to our community.

**E. Receipt book.** – Sharon Mitchel, and Tom Ramsey, who will be keeping the books for the committee banks accounts, asked us to get a separate receipt book to be used in the office for any donations, expenses or finance items for our committee. Kitty bought one on Monday afternoon and gave it to Sharon.

**F. Plans for 2014.** We will discuss these and vote on them at the December meeting.

- Beach Walk
- October Dinner with Welcome Committee
- Pancake Breakfast
- Poison Hemlock removal
- Road Clean Up
- Another dance or Fest in May
- Speakers on environmental subjects
- Bring any other ideas to the meeting in December.

**G. Helper to call if there is another emergency flood necessitating volunteer helpers.** Gretchen has agreed to be in charge of the list while Kitty is away December to February. Robin agreed to help her with these calls if necessary.

**H. Photo album.** Barbara Hill sent Robin some pictures of past Environmental Committee events. Robin suggested that we make an album of pictures of our work. Penny has an album that she will get to Kitty for this. Kitty has some other pictures, and we ask that you let us have any other photos that you may have.

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**I. Leftover snacks and rum.** Members purchased remaining snacks and rum to add money to our berm project. We received \$26, which Kitty took to the office.

**J. Email Blast.** It was recommended that Kitty send out an email blast to remind people to purchase mountain pictures and Protection Island history books for Christmas.

**VI. ADJOURNMENT.** The meeting was adjourned at 10:15.

Our next meeting will be on **Monday, December 9, 2013**, at 9:15 A.M., at the Clubhouse. We will not have meetings in January or February.

**MARINA COMMITTEE  
November 5, 2013**

There were 13 members present along with Cape George Manager, Art Burke.

**Dock Electricity and Usage:**

Art Burke reported that those potentially dangerous faults have been corrected by Double D Electric at a cost of around \$2200. Art is awaiting a quote from Double D that includes items that are non-threatening such as new electric pedestal/outlets. Ross Anderson raised the issue of a small number of boats using the majority of the electricity on the docks through the winter by plugging in electric heaters. A suggestion of using temporary meters was suggested and will be pursued. John Hanks pointed out that fans did better job removing moisture than did heaters.

**Moorage Fees:**

The Committee discussed a different set of calculations to determine annual moorage for boats over 18 feet in length. Several members mentioned that the Port of Port Townsend uses a square foot formula multiplying the length times the beam for vessels in excess of 18 feet. This discussion will continue thru and up to budget time in 2014. Dick Poole said he would like to eliminate ramp fees in the future. More discussion on this point in 2014

**2014 Marina Sale and Fundraising Account:**

Committee Chair, Tom Ramsey announced the rental of the Chamber of Commerce's reader board on Simms Way 1 week prior to the sale. Tom Ramsey and Mac McDonald will oversee newsletter request for donations beginning in December, 2013. It was reported that the Marina Fundraising account has a balance of \$3,905.45 as of Oct. 21, 2013.

**January, February, and December Meetings:**

It was suggested that meetings not be held for these 3 winter months since many members will be in warmer climates. It was agreed that meetings would be held on an "as needed" basis, and would be conducted either by John Hanks and/or Mac McDonald.

**No Parking Signs:**

Art Burke assured the Committee he would procure "No Parking" signs for the South boat trailer parking lot.

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**South Seawall:**

Art encouraged all Committee members to ask their neighbors to vote positively for the South Seawall Special Assessment. The Committee was assured that monetary participation was not expected by them, since they had no reserve funds left to spend. Art also advised that the Marina entrance would be closed to water craft for a period of 1 week (no one gets in or out).

**South Parking Lot Road:**

Pot holes on this road present a problem for some members. Ross Anderson volunteered to contact a potential gravel supplier for material to patch the holes.

**Annual Marina Fees:**

Harbormaster Mac McDonald reminded everyone that fees are due on the 1<sup>st</sup> of January and will be considered late by the 15<sup>th</sup>. If no fees by the 30<sup>th</sup>, the slip will be re-assigned.

**POOL COMMITTEE**

**November 4, 2013**

**ATTENDEES:** Art Burke, Rocky D'Aquisto, Jim Fling, Mary Hilfer, Norma Lupkes, Robin Scherting

The ongoing issue of the cleanliness of the dressing rooms was discussed. Several attempts have been made by Rocky/Robin/others on the shower pans to clean them with little success. Other methods will be explored and Donnie & Art have put the caulking and cleaning of the area in front of the stalls on this winter's schedule. General cleaning by an outside service is done once a week and Donnie will add some of the items not being done to his schedule. It was suggested that a short hose could be made available to clean the tile floors followed by a squeegee. A cabinet for storing some of the cleaning items will be purchased and placed in a corner outside the shower rooms with a padlock that can be accessed by those frequent pool users choosing to assist in cleaning.

The louvered 24" industrial fan installed in the window of the room connected to the pool has been turned off during the winter weather and a new quieter fan has been acquired to replace one of the inside fans no longer in service.

Art updated the committee on the current situation with the pool HVAC/humidity issue. The question was raised on funding for the dehumidification system in the future with the current "reserve" situation. Art recommended that a plan to identify all the issues and solutions for the humidity issue needs to be in place by August 2014. Jim Flynn will review old files for engineering data from the previous proposals and provide names of contractors to Rocky to pursue it at the beginning of next year.

Art will look into the usage logging of the pool based upon key card usage to hopefully be done in the near future using an Excel spreadsheet which has just been developed. Norma and Sharon will work on this project.

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Robin checked into the pool rules which states that if a child is not potty-trained they must be in swim diapers when using the pool. The pool fund will supply them and have them available in the dressing rooms. Robin will purchase them and be reimbursed.

**WATER ADVISORY COMMITTEE SPECIAL MEETING**

**October 16, 2013**

The SPECIAL meeting was held at 3:30 pm at the Office. The following attended: Art Burke, Manager; Karen Krug, Board Liaison; Greg Rae, Water System Manager; Larry Southwick, Committee Chair; and members Ed Skowyra, Scott James and Thad Bickling.

This SPECIAL meeting was scheduled for a conference phone call with the State Dept. of Health regarding comments on our Water System Plan, Corina Hayes and Jozsef Bezovics speaking for DOH, and Bob Leach speaking for NTI, our consultant.

To get us all on the same page, all discussion was centered around the DOH letter dated April 16, 2013 and our (Cape George and NTI) response dated August 20, 2013. The DOH letter addressed 14 specific items that were addressed, point by point in the response. This discussion was to clearly identify any remaining issues that DOH has with the response. The meeting started with introductions of all parties.

Corina said that they will address remaining concerns with 6 of the 14 items in the response as noted below:

3. The Service Area Map needs to be at a larger scale and clearly show/label the existing, future and retail service area of the Cape George water system.

5. and 6. We need to revise the calculations on the system demand forecasts on Worksheet 6-1 in the Water System Design Manual to reflect 'actual' water use for at least 2 consecutive years. We have gone through a number of iterations of these calculations due to the on-going issue with the Dept. of Ecology regarding our water rights to reflect our current and future demographics. We need to simply follow the DOH requirements and separate the demographics for the DOE discussions.

7. Water Use Efficiency (WUE) concerns have to do with the goal setting process. State law requires us to provide a 'public notice' that goes to all the general public and not only Cape George members, even though the general public has no voting status in our WSP. That notice can be provided on the DOH website where it can be viewed by the general public and any interested parties (outside of Cape George) can attend and speak in the goal setting process. They also want more content in the WUE that encourages consumers to reduce water consumption.

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10. Cross Connection Control Program (CCCP), Element 2 currently states, "All existing service connections will be inventoried and hazard rated within five (5) years." DOH wants a specific date, suggesting October 31, 2014. They also want the CCCP adopted by the Board in a manner that assures that the program will exist in perpetuity and not be subject to changes in policy.

11. and 12. Budget and the Capital Improvement Program (CIP) currently have discrepancies that need to be resolved. They want at least a balanced 6 year budget and at least a 20 year projection. The point is to assure financial responsibility and sufficient funding for the water operations and stated improvements.

Corina will write these comments into a letter and email it to Art, cc Bob Leach. Bob will look it over and see which are his responsibilities. DOH said that they are very anxious to get this project done in a timely manner and want a quick turn-around on these items so they can get it into their system for final approval. Our timeline will need to be tied to our monthly Board process, probably for final action at the December meeting. That needs to include the public notice process for the WUE adoption.

After the conference call was completed, we discussed and decided that we will handle all items except 5. and 6. which have to be done by Bob/NTI. Greg will address the WUE issues and we need to handle the 'public notice' process so we can have the presentation and discussion at the December Study Session. Art and Karen will address the budget/CIP issues in conjunction with the on-going budget process.

The next meeting will be on **November 5, 2013** at 5 pm at the Office. (Chair, Larry Southwick will be out of town)

**WATER ADVISORY COMMITTEE**  
**November 5, 2013**

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

1. Stew reported that the October meter readings showed that 2% (9) of total users (512) have a leak in their system. The reading also illustrated that approx. 1/5 of community households are classified as unoccupied with less than 30gpd usage.
2. Water rights status – No new information, still pending the outcome of DOH review of our WSP response and then take it up again with DOE.
3. Water System Plan (WSP) – A conference call was conducted with DOH representatives, Water Committee Members and Bob Leach from NTI on October 16<sup>th</sup> to discuss final changes needed to complete the WSP. At the conclusion of the meeting six comments were detailed as needing to be addressed prior to the WSP being approved. This includes:

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- Provide a service area map that identifies the system “existing, retail and future service area”.
- Recalculating the worksheet using the updated information in response to the following area.
- Recalculating the analysis using actual meter data to establish the capacity of the system. Calculate equivalent residential unit (ERU) and yearly source water demand using only fulltime user service data to better estimate future full build out demand.
- Establish a consumer goal that meets the Water Use Efficiency (WUE) requirements. The goal needs to be set though the process identified in the Community and Environment Drinking Water Design and Planning Guide
- The inventory of cross connection devices should be a priority. Please include a date that is within the next year when you expect to complete this activity. Also, provide documentation, include a resolution if one exists, that the program was adopted.
- Provide a Capital Improvement Program (CIP) that identifies the projects that need to be done in the next 6 year. The plan should also include a 20 year CIP that identifies long term projects and an estimated cost and year they should be completed.

Work is currently underway to provide this information by mid-December.

4. Stew reported that the October meter readings showed that 2% (9) of total users (512) have a leak in their system. The reading also illustrated that approx. 1/5 of community households are classified as unoccupied with less than 30gpd usage.

The next meeting will be on **December 3, 2013 at 5 pm at the Office.**

CAPE GEORGE COLONY CLUB  
SPECIAL MEMBERSHIP MEETING  
DECEMBER 10, 2013  
2:45 P.M.

**President Richard Hilfer called the meeting to order at 2:45 p.m.**

- A. Welcome
- B. Ballots for the Special Election will be accepted by Election Committee Co-Chair, Mercedita Del Valle, until 3:00 p.m.

**In Attendance:** Richard Hilfer, Ross Anderson, Karen Krug, Michael Hinojos

**Announcements:**

- A. Board Meeting – December 12, 2013, 7:00 p.m. election results will be announced.

**Adjournment:** A member from the audience moved and it was seconded to adjourn the meeting at 3:00 p.m.  
Passed 4/0

Submitted by:

Approved by:

\_\_\_\_\_  
Carol Wood, Secretary

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

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**President Richard Hilfer called the meeting to order at 8:02 p.m.**

- A. Welcome
- B. Review status of north seawall contract with Orion Marine Group.
- C. Announce the results of the election
  - a. All ballot measures passed.
    - i. Budget 229 approved/63 disapproved. Passed
    - ii. IRS Resolution 261 approved/27 disapproved. Passed
    - iii. Temporary Storage Containers 233 approved/54 disapproved. Passed
    - iv. Roof pitch 208 approved/80 disapproved. Passed
    - v. Special Assessment Berm 220 approved/72 disapproved. Passed
    - vi. Special Assessment South Sea Wall 217 approved/75 disapproved. Passed
  - b. The manager has been authorized to contact Orion to let them know the South Seawall initiative has passed.

**In Attendance:** Richard Hilfer, Ross Anderson, Karen Krug, Michael Hinojos and Penny Jensen

**Action on Minutes:** Ross Anderson moved and Karen Krug seconded to approve the November 14, 2013 Board Meeting minutes. Passed 4/0.

**Membership Report:** Ross Anderson

- Jane Primm & Gail Hotohkee purchased 133 Marine View Place from Terry & Kristi Steben Family Trust
- Habitat for Humanity was gifted Lot 38-3 Hemlock by Georgette Semick and Gary Rossow
- Marta Favati purchased 451 Sunset Blvd from Nadine Newcomb
- Barbara Solomon purchased Lot 4-5 S. Palmer Drive from Lowell & Gina Lorenz

**Treasurer's Report: Karen Krug**

**TREASURER'S REPORT  
As of November 30, 2013**

<b>Total cash and investments at month end were</b>		<b>\$840,334</b>
This amount is comprised of:		
General checking	\$92,382	
General savings (Ops Investment)	70,017	
Two petty cash accounts	600	
and CDs and Money Markets	677,335	

All accounts with financial institutions have been reconciled through November 30, 2013. No new accounts have been opened and no accounts were closed during the period.

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**The CDs and Money Markets are primarily Reserve accounts were** **\$677,335**

The amounts are allocated as:	General Reserves	\$121,440
	Water Reserves	194,186
	Marina Reserves	83,114
	Special Assessment - North Seawall	278,595

The North Seawall account held at Chase, is slightly over the \$250,000 FDIC limit. This is a temporary situation since the North Seawall will be underway in December or January.

**Total routine accounts receivable, net of allowance for uncollectible were** **\$9,194**

The current receivables are remain higher than desired. All individuals with open accounts as November 30 will be assessed a late charge. During December all open accounts will be reviewed for collectibility with Board action expected in January.

**Unearned general revenue has been all but eliminated as would be expected by this point in the fiscal year.**

Marina waiting list are holding deposits from ten individuals, some who have been on the list for multiple years.

**Year-to-date total net Revenue and Expenses (Net Income) of \$134,141 is favorable when compared to the originally budgeted YTD 10/31 net Income of \$102,524.**

It does appear that, on a combined basis, the original budget target will be reached. Since the originally budgeted annual 'net income' is considered a quasi-contract with Members, December actions will include a request to transfers that minimum amount prior to December prior to the end of the fiscal year. Historical this was the process used and is preferred from an audit perspective.

**By individual cost center operating performance was:**

**General operations year-to-date Net Income was \$54,192 compared to the budget of \$36,549.**

Nearly all of the insurance proceeds have been used to acquire tools for the Workshop. Higher than anticipated YTD expenses for repairs have largely been offset by lower than expected YTD expenses for pool operations. The remaining favorable variance can be traced to the donation for fitness equipment.

**Water operations year-to-date Net Income was \$58,762 compared to the budget of \$56,700.**

Higher revenue from intentionally unbudgeted new water hook-ups is largely responsible for the positive variance.

**Marina operations year-to-date Net Income was \$19,975 compared to the budget of \$9,275.**

Marina operations should perform strong enough through year end to cover the current shortfall in the North Seawall commitment. The budgeted issues related to the harvest by-pass pit which was not undertaken this year and the primary driver of the favorable performance.

**SPECIAL ASSESSMENT FOR NORTH MARINA SEAWALL - Collection and Expenditure Information**

Total Special Assessment approved by Members	<b>\$293,928</b>	Cash collected thru 11/30/2013	\$290,727
662 equivalent lots @ \$444 each		Past due Receivable as of 11/30/13	3,053
Bad debts written-off thru 11/30/2013	(148)	Anticipated uncollectibles on 12/31/13	(2,294)
Anticipated Bad debt allowance thru 11/30/2013	<u>(2,294) (1)</u>	Calculated Special Assessment	<u><b>\$291,486</b></u>

Expected Net Special Assessment **\$291,486**

**Special Assessment Cash Balance:**

Cash collections through 11/31/2013	\$290,727
Plus: All years Interest income (4305-007-thru 11/30/13)	400
Less: Actual draws for expenses (thru 11/30/13)	<u>(12,533) (2)</u>
Net Cash In Special Assessment Account	<u><b>\$278,594</b></u>

*Expenditures not yet drawn as of 11/30/13 = \$1,727 (2)*

GL Balance (1108-007) as of 11/30/2013 **\$278,595**

**Marina Reserve Contribution:**

Total	\$100,000
Less: Actual draws (thru 11/30/13)	<u>(4,178) (2)</u>
Balance as of 10/31/13	<u><b>\$95,822</b></u>

*Expenditures not yet drawn as of 11/30/13 = \$575 (2)*

GL Balance (1108-003)-11/30/13 **\$83,114**

Current Shortfall @ Maximum **\$12,708**

**NOTES:**

- (1) It is anticipated there will be additional actual bad debt write offs by year end which will slightly change the total amount available.
- (2) Total preliminary project costs to date are \$19,013 (CIP-#1491-001). By Board decision, 75% of all N Seawall expenses are to be from Special Assessment funds (\$14,260 - \$12,533 actually drawn) with the remaining 25% from Marina Reserves (\$4,753 - \$4,178 actually drawn).

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**Manager's Report:**

A pre-audit conference call was conducted on December 5<sup>th</sup> with the CPA firm of Cagianut & Company for the 2013 audit. Those present on our end included Treasurer Karen Krug, Senior Bookkeeper Sally Lovell, Office Administrator Sharon Mitchel and myself. Representing C&C were Susan Stenberg and Cathy Kuhn. The scope of the call included: review of prior year internal control and management comments, review of prior year audit report and open items, and documents for audit.

I have been assisting the Water Committee and Water Manager on a final punch list of documents for the Water System Plan. These documents will be submitted to the Washington State Department of Health for approval in the next few days. If accepted, we will be at the end of a process that got started before I began working here almost 4 years ago. It is important to recognize some of the people who provided countless hours of time and expertise to this project including: Ed Skowyra, Larry Southwick, Greg Rae, Thad Bickling, Stewart Pugh and Scott James.

Office Administrator Sharon Mitchel provided the following updates and reports:

- Sharon has begun to format and compile information related to the all member mailing which includes quarterly payment coupons, fee schedule, marina moorage, lot mows, etc.

Miscellaneous projects taking place in the community include:

- As a result of the cold snap, Donnie will be taking an additional water meter reading to check for leak alarms that may have been caused by frozen pipes. Members will be notified by Water Committee member Stewart Pugh if a leak has been detected.
- Due to a broken water pipe under a concrete slab, the pool was closed for four days while new service lines were installed. A Big Thanks to Mac McDonald for jumping in and assisting Donnie with this emergency project.

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

- Complaint of dog barking and howling in the Village.
- Property maintenance complaint in the Village.

**Committee Reports:**

The following committee reports were submitted to the Board of Trustees: Building, Environmental, Marina, Nominating, Pool and Water. The reports are attached to these minutes and incorporated by reference.

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**Information Items:**

The Trustees received a presentation from Jefferson County Public Health (JCPH) Environmental Health Specialist Lead, Michael Dawson and Environmental Health Specialist, Dana Fickeisen on the East Jefferson Clean Water Project. As a part of the project, JCPH staff will be conducting sanitary surveys in the community sometime in the future. Cape George will be notifying the community through email and newsletter articles.

- A. Water Committee members Thad Bickling and Stewart Pugh provided supporting information related to the document prepared by Committee Chair, Larry Southwick, on the history of the Water System Plan development.
- B. The Trustees requested the Manager and Building Committee gather additional information concerning the governing document violation at 41 Dennis Blvd and report back at the January Study Session.
- C. The Trustees reviewed information concerning health insurance for 2014.
- D. The Trustees reviewed information related to obtaining a legal opinion concerning property maintenance rules and will continue the discussion at the January Study Session.

**Member Participation**

A member requested the use of the pool for his Marine Biology class to perform a simple remote operated vehicle test. After discussion it was determined that a pool party in conjunction with a clubhouse rental was not unusual. The Board did request a copy of the school's certificate of liability insurance.

Members also thanked the Board for persevering on the money matters and another thanked the Board and Seawall Task Force for their work on the Seawall. A member commented on the numbers of highly skilled professionals who have volunteered not only on the above projects, but also on the water system plan, and our finances. Board President, Richard Hilfer, noted that a tremendous amount of valuable work has been donated by members.

**New Business Action Items**

**Motion 1:** Richard Hilfer moved and Michael Hinojos seconded to ratify the contract from Orion Marine Group for the construction of the Marina North Seawall. Passed 4/0

**Motion 2:** Karen Krug moved and Penny Jensen seconded that based upon the memorandum to the Board of Trustees from Greg Rae, Cape George Water System Manager, dated December 6, 2013, the Board adopt the Water Efficiency Goals stated in that memorandum which were established after a properly noticed public meeting held on December 4, 2013 and further that those goals be incorporated into the Cape George Water System Plan. Passed 4/0

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**Motion 3:** Karen Krug moved and Michael Hinojos seconded that whereas the Board of Trustees of Cape George Colony Club is required to approve its Water System Plan, and

Whereas there have been changes made to the existing draft document including submittals to the Washington State Department of Health dated February 28, 2013 and additional documents compiled for submission dated December 11, 2013, including the Water Use Efficiency Goals, therefore

Be it resolved that the Cape George Colony Club Board of Trustees adopts the existing draft Water System Plan with the above indicated updates. Passed 4/0

**Motion 4:** Michael Hinojos moved and Penny Jensen seconded to approve changes to Cape George Rule CP03 Marina Usage. Passed 4/0

**Motion 5:** Ross Anderson moved and Karen Krug seconded to levy a fine of \$250 per month for a covenant violation at 113 Vancouver Drive related to exterior not being completed in 6 months after building permit being issued and continue monthly fine until exterior is completed with possibility of abeyance of all or part of the fines. Passed 4/0

**Motion 6:** Richard Hilfer moved and Penny Jensen seconded to approve a contract not to exceed \$2000 with Marine Surveys & Assessments for the completion of a Habitat Assessment/Habitat Management Plan for permitting purposes of the shoreline berm. Passed 4/0

**Motion 7:** Michael Hinojos moved and Penny Jensen seconded to approve Resolution # 12-01-13 to transfer \$350.63 from Marina Reserves to General Checking Account and \$1051.87 from Special Assessment Account to General Checking Account for the Seawall Replacement Project, MW Hillman Consulting -- \$1,402.50. Passed 4/0

**Motion 8:** Karen Krug moved and Michael Hinojos seconded that according to the Board approved and Member ratified 2013 budget calling for minimum funding of the reserve accounts that the following amounts be transferred from the Operations checking account (1102-001) to the respective reserve accounts prior to December 31, 2013 with a transfer to General reserve (1108-001) in the amount of \$12,955.88, a transfer to the Water reserve (1108-002) in the amount of \$46,635.04, and a transfer to the Marina reserve (1108-003) in the amount of \$5,629.76. Passed 4/0

**Open Board Discussion**

A Board Member thanked the Board for its 2013 accomplishments and thanked Richard Hilfer for his leadership.

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**Announcements:**

- A. Study Session – January 14, 2014, 3:00 p.m.
- B. Board Meeting – January 16, 2014, 7:00 p.m.

**Adjournment:**

Michael Hinojos moved and Penny Jensen seconded to adjourn the Board Meeting. Passed 4/0  
The meeting was adjourned at 7:40.

Submitted by:

Approved by:

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**Carol Wood, Secretary**

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**Richard Hilfer, President**

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**COMMITTEE REPORTS**

**BUILDING COMMITTEE  
OCTOBER 30, 2013**

**Building Permits Issued:**

Bob & Leilani Pennel: 304 Sunset Blvd Colony

Construct a house. The committee met on the site with designer/contractor Dennis Shields and we established the high point of grade at the foundation. Also checked to assure all parts of the structure are outside all setbacks. Permit signed 11-15-13

Thomas Barnett: 66 N Palmer Dr Colony

Build a garage addition onto the existing attached garage. Steve and I went to the site and checked the setbacks & height of structure. Permit signed 11-19-13

**Earthworks Permits Issued:**

Bob & Leilani Pennel: 304 Sunset Blvd Colony

Excavation to install septic system and foundation for new home. Permit signed 11-13-13

Thomas Barnett: 66 N Palmer Dr Colony

Excavation for garage addition. Permit signed 11-19-13

The committee has done two plan reviews and a number of inspections this month. Two members have had changes in their construction plans. We have met with them and OK'd their changes.

I received a lengthy call from a member saying the adjacent property owner had a few violations at their property and house. Although there were no violations of our regulations there was a building code violation. I directed them to the county permit center.

I received a complaint that a member had built a structure of which we had no knowledge. Roger, Bill & I met with the member and have determined that the structure falls under the fence regulation rather than the ancillary building regulation because there are no enclosures and fence wire has been attached to keep the deer out.

Art, Bill, Steve, Roger and I met on November 25 to discuss building violations by one of our members. We met with the member at his site to listen to his explanations. We returned to our meeting to conclude our decisions. We then prepared a letter to the Board of Trustees showing our recommendations.

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Again, this has been a very busy month and I want to thank the committee and the manager for their involvement and support.

**ENVIRONMENTAL COMMITTEE**  
**Monday December 9, 2013**

**IN ATTENDANCE:** Art Burke, Dennis Fellner, Betty Hanks, Norma Lupkes, and Kitty Rucker.

**I. CALL TO ORDER:** The meeting was called to order at 10:20 A.M.

**II. APPROVAL OF MINUTES:** Forgot to do this, sorry.

**III. FINANCIAL REPORT:** We currently have \$3,417.14 total in our account. After adding the most recent bills and deposits, we have \$2,325.10 in the Berm fund and \$1091.04 in our Working Fund. We bought a Receipt book for the office for \$9.71, which came out of our Working Fund. There was a \$50 donation to the Berm Fund from Susan Nivert. There was also \$204.00 added to the Berm Fund from book sales and picture sales.

**IV. OLD BUSINESS.**

**A. Berm Report** – Art told us that working with the Jefferson County Shoreline Department is very difficult. They are requiring additional permits and an Environmental Report to make sure that there will be no damage to the area. We are contracting with MSA to have this additional work done. It will require added hours of work and about \$2000 extra in costs.

**B. Fund Raisers:** We have sold out all of the pictures at the office and all of the books that Kitty gave them. She took in more books and 5 new pictures. If the pictures run out Sharon will order more while Kitty is away. The picture is on the computer there.

**C. Articles in the newsletter** – Kitty put an article on the book and picture sales for Christmas and an article on watching that the deer don't get into the Amy Brandon Tree again.

**D. Receipt Book** – Kitty bought one for \$9.71 and gave it to Sharon. Email Blast – Kitty asked Sharon to put out an email blast on the Christmas books and pictures.

**E. Work party at Clubhouse to clean up for Christmas.**

1. Kitty, Betty and Dean worked for about 2 hours, pruning and weeding.
2. After contacting members, we decided to have extra weeding done by Jeannie Wright. Unfortunately, the ground froze, and we couldn't have it done. We will do it in the spring.

**F. Filling Sand Bags** – There were 2 committee members who helped with this, Penny and a man. Who is this mystery man?

**G. Flood Control Project** – Art said that we are pretty well prepared for this. We have 1 sump pump on either side of the workshop. We also have a sump basin in front of the workshop. Finally we have a waste pump, which was donated to the workshop by Rocky D'Acquisto.

**V. NEW BUSINESS – PLANS FOR 2014**

**A. Beach Walk** – It was approved for the lowest tide in summer.

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**B. Berm Dinner in October** – it was approved but we will choose a new country to feature. Countries suggested were Greece, Poland, and Italy.

**C. Pancake Breakfast for our Working Fund.** We approved this for March.

**D. Road Clean Up** - Ron Niccoli will organize this when he gets back in the Spring.

**E. Poison Hemlock Removal Work Party** – we will do this again in the spring when it begins to grow again.

**F. Speakers on Environmental Issues.**

1. We had proposed that the Cape George University have a session on Fish Farms in our water. They never did it.

2. Betty had a suggestion that we have Beeieio give a presentation on helping the bee population. She will research this for us too.

**G. Other ideas.** If you have any other ideas for future projects, please bring them to the March meeting.

**VI. ADJOURNMENT** – We adjourned at 10:50AM.

***Remember that we will not have meetings in January or February unless there is an emergency. Robin will be acting Chair until Kitty comes back in mid- February.***

**MARINA COMMITTEE MEETING  
December 3, 2013**

There were 9 members present along with Cape George Manager, Art Burke.

**Electrical Repairs**

At the November Committee meeting, Art Burke reported that after completing essential repairs to the Marina electrical system, Double D Electric agreed to provide a bid for additional non-essential upgrades. This month, Art reported that he had not heard from Double D and will follow up with them.

**Marina Sale**

The January newsletter kicks off request for donations for the 2014 Marina sale to be held May 9 and 10<sup>th</sup>. Tom Ramsey will see to the newsletter insertion for January and Mac McDonald will insure that February and March are covered.

**Pot Holes**

It was discussed and determined that a permanent solution to the pot hole problem on the South parking area road could not be achieved until dryer conditions prevail. Art Burke suggested that the addition of ¾ minus gravel may be a temporary fix.

**Dredging Permit**

Gary Rossow has reported that the Army Corp of Engineers will soon be issuing a permit to allow dredging after June 10<sup>th</sup> of each year. In the past, annual dredging could not occur until after July 15.

**CP03 Variance Request**

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John Hanks made a motion, seconded by Mac MacDonald that would establish a process in which the Harbor Master could request a variance to the Marina Committee allowing a vessel with a beam greater than the present CP03 rule (12 feet) has established. The Marina Committee would then vote and make recommendations to the Board of Trustees whether to allow the variance. The variance process was compared with those request made by the Building Committee. The motion passed with a unanimous vote. Art Burke requested that a copy of the motion be sent to him that could be presented to the Board of Trustees. John Hanks agreed to do this.

**Workshop Drainage**

Since the Marina Committee is a primary user of the workshop, concerns were raised about potential flooding similar to what occurred last December 17<sup>th</sup>. All tools and materials that could be damaged by salt water will be elevated at least 10 inches. Pumps have been procured in the event of potential flooding. Art Burke advised that a permanent fix would have to go through the permitting process with a probability of environment impact studies. There will be "King" tides in December and January, so everyone on the Committee understands the potential consequences.

**Life Rings**

Thad Bickling announced he was having difficulty determining the exact make and model of those three life rings stolen from the Community workshop last spring. It was decided that he should just try to get something of a similar size that would serve our safety purposes.

**Berms**

Art Burke advised that there still may be a permitting issue authorizing the construction of berms protecting the club house, etc. More will be known after the Dec. 10<sup>th</sup> election results.

**NOMINATING COMMITTEE  
November 19, 2013**

**MEMBERS PRESENT:** Art Burke, Jeannie Ramsey, Kitty Rucker, and Jan Stone.

I. We went over the packet of information that Kitty presented.

- Nominating Committee Annual Report to the Board
- Board Calendar for 2013-2014
- List of possible candidates from Sharon Mitchel
- List of people that were called last year

II. Kitty told the committee that Richard Hilfer had presented our suggestion to have 2 Candidate Presentations - one at the Study Session on Tuesday, June 10, 2014, at 2:00 P.M., before the session, and one at 6 P.M. on Thursday, June 12, before the Board Meeting. The Board approved this suggestion at their last Board Meeting.

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III. Kitty also said that she had asked Richard Hilfer to ask the Board Members for any names that they might have for potential candidates. Art said that this was done at the last Board Meeting. Kitty will email each Board Member and each Committee Chair to ask for suggestions.

IV. We decided against doing official phoning to potential candidates until March when Jeannie and Kitty are back in the community. We felt that calling too early might turn off some candidates.

V. We will meet again on March 12, 2014, at 3 P.M., to start the formal recruiting of candidates.

VI. Art will make up the official schedule of Nominating and Election events. He will send the members a copy of this document to be proofed before sending it out.

VII. Art will also put the Nominating Committee article in the newsletter January, February, March and April (as well as the one in the December newsletter) asking for suggestions on candidates.

VIII. Jan will make up the posters with the dates and information on the election process.

IX. We discussed potential candidates and came up with a list of attributes for which we were searching in a nominee. (Please look at the attached list and see if this is what you want.)

X. The meeting was adjourned at 3 P.M..

**POOL COMMITTEE MEETING NOTES**  
**December 2, 2013**

**ATTENDEES:**

Art Burke  
Rocky D'Aquisto  
Mary Hilfer  
Penny Jensen  
Norma Lupkes

**NOTES:**

The ongoing issue of the state of the dressing rooms was discussed. Refurbishing these rooms will begin immediately with replacing light fixtures, replacing some of the hooks, caulking and cleaning of the area in front of and inside the stalls, and painting the walls and ceilings. Four members have currently volunteered to assist Donnie in this project. Art will pursue having the rusted drain covers replaced with

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stainless steel covers. It was suggested that a short hose could be made available to clean the tile floors followed by a squeegee. Art has been searching for a cabinet to install in a corner outside the shower rooms to store some of the cleaning supplies including the short hose and squeegee. It will have a padlock that can be accessed by those frequent pool users choosing to assist in cleaning.

Robin has purchased swim diapers for both dressing rooms but they have already disappeared from the ladies room. Norma will make a sign identifying what they are there for; who should be using them; and to please leave them there for all to use as needed!

Art will look into the usage logging of the pool based upon key card usage to hopefully be done in the near future using an Excel spreadsheet which has just been developed. Norma and Sharon will work on this project.

A proposal was made by Norma and Mary as representatives of the Leadership Council for the Social Club that the Pool Committee take responsibility for an event on the social calendar next year as other Committees are currently doing. The St Patrick's Day event is open and has been scheduled for March 15, 2014. Members present agreed to take on this request but will be seeking assistance from other pool users. More details will follow after the first of the coming year.

The suggestion was made to post a sign in the pool relative to notification phone numbers for incidents or problems observed at the pool. Art will have the sign made and posted.

**WATER ADVISORY COMMITTEE  
December 3, 2013**

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

1. Stew handed out copies of his water use summary for the Oct-Nov meter reading cycle as follows:

Total Users	511 plus 10 Cape George connections
Active Users (>30 gpd)	395
Leaks	9 < 2% of total users
Non-users (<30 gpd)	127 about 25% (vacant houses)
Very high users (>500 gpd)	3
High users (250 – 500 gpd)	9
Average all users	70 gpd
Average active users	117 gpd
Exceptional users (4)	1 leak, 1 undetermined, Marina South, Clubhouse & Pool

When Stew started this analysis, the number of leaks was over 60 for a meter reading cycle. He has continued to contact owners whenever a leak is shown on the report. This has been a very

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
DECEMBER 12, 2013  
7:00 PM

effective tool to reduce wasted water and improve our operations. Leaks are when the meter reading data shows that there was no period during a 24 hour period that showed zero use, that is the meter was turning 24 hours per day, regardless of the amount. Some of those are as simple as a leaking toilet flapper while the significant ones indicate a substantial leak, usually in an irrigation system. It was suggested that this would be good information for the general membership at the Annual Meeting next summer.

2. Karen handed out copies of her draft financial report that will be submitted with the WSP response to DOH comments. It shows historical and projected financial water system performance, capital improvement program expenses and adequacy of reserves. The first page discusses the proforma water operations and reserves analysis and the assumptions used throughout the report. The next page shows the actual, audited financial performance 2009 – 2012 and the projected 2013 performance. The following pages show the projected financial performance out to 2043 to be consistent with the data used in the community reserve study.
3. Greg will lead the ‘Water Use Efficiency’ (WUE) public meeting tomorrow, December 4 at 2pm in the Clubhouse as part of the requirements from DOH for the WSP. We have to repeat that meeting process in order to comply with DOH public notice requirements. We must hold the meeting, take public comments and then complete the WUE documentation including and addressing the public comments. Greg will suggest a seasonal (summer) goal of 2.1% reduction in water use which would result in an annual water use reduction of 1% per equivalent residential unit (ERU). Greg will summarize the meeting, complete the documentation and include a WUE goal for the Board to adopt at their meeting next week. This documentation and adoption by the Board is required as part of our response to DOH.
4. Larry sent out a draft report to the Committee on the Water System Plan and Water Rights that will be presented at the Study Session next week. This is a summary of the efforts and timeline of the Committee work on those two subjects since 2007. He will finalize the report to include comments by the Committee but will not be available for the Study Session so Thad will present the report. No action is required. It is for information and discussion to provide an overall understanding.

The next meeting will be on **January 7, 2014 at 5 pm at the Office.**

CAPE GEORGE COLONY CLUB  
SPECIAL BOARD OF TRUSTEES MEETING  
DECEMBER 20, 2013  
11:00 A.M.

**President Richard Hilfer called the meeting to order at 11:02 A. M.**

A. Welcome

**In Attendance:** Richard Hilfer, Ross Anderson, Carol Wood, Karen Krug, Mike Hinojos, Penny Jensen and Ray Pierson

**Member Participation:**

There was no member participation

**Motion 1:** Richard Hilfer moved and Penny Jensen seconded to ratify a contract from Orion Marine Group for the construction of the Marina South Seawall with 2 lined out changes. Passed 6/0

**Motion 2:** Karen Krug moved and Mike Hinojos seconded to assist in complying with FIN09 and to facilitate the disclosure needs of Special Assessments and Reserve funds that a savings account and second checking account be authorized at Kitsap Bank, a previously approved financial institution, with at least one of the additional Kitsap accounts to be established prior to the end of the current fiscal year, and a second checking account be authorized at JPMorgan Chase bank, also a previously approved institution. Passed 6/0

**Motion 3:** Karen Krug moved and Penny Jensen seconded that the following net holiday bonuses be given: Manager at \$150; the Office Administrator and Caretaker at \$100 each; and the Senior Bookkeeper at \$50. Passed 6/0

**Open Board Discussion:**

There was no discussion

**Announcements:**

- A. Study Session – January 14, 2014, 3:00 P.M.
- B. Board Meeting – January 16, 2014, 7:00 P.M.

**Adjournment:** Karen Krug moved and Mike Hinojos seconded to adjourn the Special Board Meeting. Passed 6/0

The meeting was adjourned at 11:11 A.M.

**Submitted by:**

**Approved by:**

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**Carol Wood, Secretary**

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**Richard Hilfer, President**