

**CAPE GEORGE COLONY CLUB
ANNUAL MEMBERSHIP MEETING
July 15, 2017
2:00 PM**

President Richard Hilfer called the meeting to order at 2:00 p.m.

Welcome

Trustees in Attendance: Richard Hilfer, Karen Krug, Carol Wood, Katie Habegger, Leslie Fellner and Ray Pierson

Action on Minutes: Mike Hinojos moved and Bob Holtz seconded to approve the minutes of the Annual Membership Meeting of July 16, 2016. Passed by those in attendance.

Annual Membership Report: Leslie Fellner

There were 37 properties sold between July 5, 2016 and July 5, 2017. Of the properties purchased 8 were lots. An additional 7 properties are now in escrow and set to close prior to July 31, 2017.

As of July 5th 2017, six new homes are currently under construction.

Annual Reports:

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

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

The Social Club also submitted a report to the board.

Member Participation:

Cricket Morgan asked if the minutes could be posted to the website right away rather than waiting a whole year. All the annual meeting minutes as well as the drafts of the current annual minutes are posted under the tab, board/annual minutes on the website.

Meg Crosby asked about the rules for building sheds and such. Building Chair, Bill Deckman volunteered to answer her questions after the meeting.

Election Results: Report by Scott James, presented by Leslie Fellner, Secretary

The Election Committee met to count the ballots cast for the Trustee Election at 9 am on Friday, July 14, 2017 upstairs at the office.

For this election, there were 582 members voting. Therefore, a quorum of 146 members was required to constitute a valid election. We had 205 votes cast.

CAPE GEORGE COLONY CLUB
ANNUAL MEMBERSHIP MEETING
July 15, 2017
2:00 PM

Four ballots were not opened due to: (a) three without signatures (b) one member not in good standing.

Three positions on the Board were in contention.

The Trustee results are:

- | | |
|-------------------|-----------|
| 1. Joel Janetski | 169 votes |
| 2. Katie Habegger | 179 votes |
| 3. Ross Anderson | 190 votes |

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

Congratulations to Joel Janetski, Ross Anderson and Katie Habegger

Thank you to Leslie Fellner for your service to the community as a trustee.

Adjournment:

Leslie Fellner moved and Michael Hinojos seconded to adjourn at 2:20 pm. Passed unanimously

Submitted by:

Approved by:

Katie Habegger, Vice President

Richard Hilfer, President

CAPE GEORGE COLONY CLUB
Treasurer's Report - Annual Meeting - July 15, 2017

Page 1 of 3

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

Reserves

Tracking reserve activities can be a challenge since deposits and draws may not take place in the same year they are authorized or often, deposits or draws can span multiple years. These timing issues are common in most homeowners' associations. At Cape George reserve transactions are monitored monthly and reconciled in at least twice each year including during the external audit.

For many decades our reserves have been funded by deposits of excess operating cash. Each reserve - General, Water, Marina - is funded with year-end cash from the activities of each respective cost center. In 2015 a second reserve funding source was approved by Member vote. This reserve assessment is allocated into to the three reserves at year-end.

RESERVES	General	Water	Marina	Routine Reserve
Audited Reserve Balance - 12/31/2015	\$ 211,346	\$ 382,037	\$ 41,859	\$ 20,842
(1) 2015 Final Excess cash from operations (04/20/16)	17,900	15,955	8,383	0
(2) 2016 Budgeted excess cash from operations (12/19/16)	30,511	44,391	10,324	0
(3) Interest and other misc. reserve collections	141	264	34	165
(4) 2016 Reserve assessment collections	0	0	0	97,348
(5) 2016 Allocation of Reserve Assessment (12/19/16)	55,486	45,666	17,154	(118,306)
(6) Final S. Seawall internal loan repayment	2,324			
(7) 2016 Reserve Project Draws:				
Pool Dehumidification	(122,549)			
Office Carpet	(8,324)	0	0	0
Final pool septic draws	(13,844)	0	0	0
F450 Truck draw	(10,997)	(10,997)		
Well #4 major repair draws		(17,919)		
(8) Prepayments of 2017 Reserve assessment				14,608
Audited Balance - 12/31/2016	161,994	459,397	77,754	14,657
(9) Final 2016 excess cash from operations (3/13/17)	12,230	17,625	4,208	0
(10) 2017 YTD collections Reserve Assessment	0	193	0	64,630
(11) 2017 YTD interest and other minor activity	64		30	398
(12) Proceeds from sale of old 1-Ton truck	900	900		
(13) 2017 YTD Project Draws:				
Clubhouse flooring draws	(25,373)	0	0	0
Final F450 truck draws	(2,803)	(2,803)	0	0
Fitness room bike replacement draw	(2,047)	0	0	0
Dock float draw	0	0	(4,193)	0
Unaudited Balance - 06/30/2017	144,966	475,312	77,799	79,685

As part of the 2017 budget, Members approved \$135,000 in reserve expenditures for seven projects. Three of the projects have been completed. Yet to be completed are the painting of the pool building interior, replacing the 1/2-ton pickup and a new sanitizer for the clubhouse. The final project, replacing the electrical system in the Marina, has been postponed until 2018 because all the bids received were materially higher than expected.

CAPE GEORGE COLONY CLUB
Treasurer's Report - Annual Meeting - July 15, 2017

Page 2 of 3

BALANCE SHEETS FOR PERIODS INDICATED

	Year-to-date 06/30/17	Audited 12/31/16	Audited 12/31/15		Year-to-date 06/30/17	Audited 12/31/16	Audited 12/31/15
Assets				Liabilities & Fund Balances			
Cash and Cash Equivalents:				Current Liabilities:			
Operations - Checking	\$ 127,586	\$ 126,964	\$ 147,964	Accounts Pay. & Other Liabilities	\$ 9,271	\$ 23,488	\$ 25,301
Operations - Savings	98,319	88,249	70,066	Unearned Income General/Water	74,259	77,679	91,145
Petty Cash (2 accounts)	600	600	600	Unearned Reserve Assessment	18,802	14,608	21,199
Reserves-General,Water,Marina	698,077	699,145	635,242	Unearned Marina Waiting List	1,200	1,000	1,300
Routine Reserve (1)	79,685	14,657	20,842	Due to Operations(timing only)	-	5,283	2,992
S Seawall & Berm	-	-	7,337	Due to General Reserve (Loan)	-	-	2,323
Total Cash & Equivalents	1,004,267	929,615	882,051	Total Current Liabilities	103,532	122,058	144,260
Net Accounts Receivable	2,966	691	1,940				
Due from S.Seawall (Loan)	-	-	2,323				
Due from Reserves(timing only)	-	5,283	2,992	FUND BALANCES:			
Total Net Fixed Assets (2)	1,849,434	1,818,723	1,737,106	Fund Balances (Combined)	2,653,054	2,507,695	2,360,256
Total Prepaid & Other Assets	35,951	20,800	20,292	Modified Cash Basis Income(2)	136,032	145,359	142,188
TOTAL ASSETS	\$2,892,618	\$2,775,112	\$2,646,704	Total Liabilities & Fund Balance	\$2,892,618	\$2,775,112	\$2,649,027

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

(2) Depreciation and bad debts, both non-cash items, are not recognized on mid-year interim statements.

The balance sheet shows slow but steady fiscal growth over the past eighteen months. The improvement in total cash and the increase in net fixed assets both owe the increases to the reserve assessment which started in 2015. Since current liabilities are always highest at the end of a fiscal year it is expected that at a the June mid-year period they will appear lower.

AUDITED OPERATING RESULTS

The audited operating results, or the profit and loss statement, were presented and discussed in detail in the financial information included in the March 2017 Board meeting material.

	12/31/2016 Full Accrual Audited	12/31/2015 Audited	Difference	%
General Operations				
Total Revenue	\$ 313,948	\$ 308,540	\$ 5,408	2%
Expenses	(251,974)	(247,479)	(4,495)	-2%
Deprn & Bad Debts	(68,194)	(65,698)	(2,496)	-4%
General Net Income	\$ (6,220)	\$ (4,637)	\$ (1,583)	-34%
Water Operations				
Total Revenue	\$ 192,393	\$ 187,214	\$ 5,179	3%
Expenses	(128,954)	(122,912)	(6,042)	-5%
Deprn & Bad Debts	(25,159)	(23,391)	(1,768)	-8%
Water Net Income	\$ 38,280	\$ 40,911	\$ (2,631)	-6%
Marina Operations				
Expenses	\$ 65,149	\$ 66,130	\$ (981)	-1%
Deprn & Bad Debts	(49,915)	(47,197)	(2,718)	-6%
Less Total Expenses	(21,699)	(19,453)	(2,246)	-12%
Marina Net Income	\$ (6,465)	\$ (520)	\$ (5,945)	-1143%
Reserve Net Income	\$ 119,744	\$ 106,434	\$ 13,310	13%
Combined Net Income	\$ 145,339	\$ 142,188	\$ 3,151	2%

Each year the Board receives a complete copy of the audited financial statements and other related material from the external audits. That information is posted on the website and is also available for review in the office.

CAPE GEORGE COLONY CLUB
Treasurer's Report - Annual Meeting - July 15, 2017

Page 3 of 3

MID-YEAR INCOME STATEMENTS

Modified Cash	6/30/2017 ACTUAL	6/30/2017 Budgeted	Variance	%	Comments on Operations through June 30, 2017
General					General
General Assessment	\$ 143,204	\$ 143,204	\$ -	0%	Over half of the revenue increase is the result of non-cash donations, another one-quarter is from increased fines and the final component is an \$1,800 gain on the sale of the old 1-Ton truck.
Revenue-All Other Sources	21,716	14,749	6,967	47%	
Total General Revenue	164,920	157,953	6,967		
Expenses:					
Salaries, Benefits, etc.	66,376	71,112	4,736	7%	The labor variance is a seasonal timing artifact and will diminish throughout the remainder of the year. Repairs do not yet include road repairs which are expected to be about one-half of what was budgeted without sacrificing any necessary repairs.
Repairs & Maintenance	4,717	10,708	5,991	56%	
Contracted Services	22,586	25,255	2,669	11%	The variance in pool expenses continues to be related to higher electrical and propane costs which were described in detail in the pro forma forecast included in the May Board material. The warmer summer weather may help reduce the variance.
Supplies & Small Tools	6,685	6,165	(520)	-8%	
Insurance	9,532	9,765	233	2%	The unbudgeted new capital is the remainder of the workshop drainage system. This item was also discussed in the proforma forecast.
Pool expenses	20,001	10,750	(9,251)	-86%	
Taxes, Federal & State	1,703	1,400	(303)	-22%	It is unlikely that general operations will reach its year-end net income of \$32,000 although it might come close.
Utilities	6,004	4,250	(1,754)	-41%	
Other operating expenses	2,303	1,310	(993)	-76%	
New Capital(1)	11,715	-	(11,715)	100%	
Total General Expenses	151,622	140,715	(10,907)		
General Net Income	\$ 13,298	\$ 17,238	\$ (3,940)	-23%	
Water					Water
Total Water Revenue	\$ 98,694	\$ 95,060	\$ 3,634	4%	The increase in water revenue is due to 5 new accounts.
Expenses:					
Salaries, Benefits, etc.	30,046	32,006	1,960	6%	The labor variance is a seasonal timing artifact and will diminish throughout the remainder of the year. Repairs do include the major cleaning of the water storage tanks and some very minor repairs that were required by the State inspection.
Repairs & Maintenance	8,451	7,192	(1,259)	-18%	
Contracted Services	8,252	9,079	827	9%	The other operating variance is a result of the charge for one-half of the cost of recruiting a new manager; the other half of the cost was charged to general operations.
Supplies & Small Tools	5,420	7,275	1,855	25%	
Insurance	4,836	5,007	171	3%	Baring unforeseen repair or maintenance needs, water operations will probably reach its year-end net income of \$41,000.
Utilities	5,202	6,200	998	16%	
Taxes, Federal & State	5,663	6,150	487	8%	
Other operating expenses	2,529	595	(1,934)	-325%	
Total Water Expenses	70,399	73,504	3,105		
Water Net Income	\$28,295	\$21,556	\$ 6,739	31%	
Marina					Marina
Total Marina Revenue	\$ 65,107	\$ 66,430	\$ (1,323)	-2%	With summer activity marina revenues are showing improvement.
Expenses:					
Salaries, Benefits, etc.	7,071	7,503	432	6%	Repairs do include the annual channel dredging cost. Again this year the marina decided to forgo additional jetty rock thus saving several thousand dollars.
Repairs & Maintenance	11,406	16,625	5,219	31%	
Contracted Services	1,895	2,824	929	33%	Higher utility costs as a result of higher kilowatt hour utilization are causing an unfavorable variance. It is too soon to determine if the warmer weather will moderate that variance or if there are other causes for the increased usage.
Supplies & Small Tools	746	835	89	11%	
Insurance	3,371	3,228	(143)	-4%	Continued careful control of expenses may enable marina operations to get closer to the year-end net income of \$9,600.
Utilities	4,279	3,000	(1,279)	-43%	
Taxes, Federal & State	761	450	(311)	-69%	
Other operating expenses	360	544	184	34%	
Total Marina Expenses	29,889	35,009	5,120		
Marina Net Income	\$35,218	\$31,421	\$ 3,797	12%	
Reserve Assessment					Reserve Assessment
Reserve Income & Expense	\$ 59,222	\$ 60,936	\$ (1,714)	100%	The assessment should reach the year-end target of \$121,000.
Combined Net Income	\$ 136,032	\$ 131,150	\$ 4,882	4%	(1) New capital is used for interim reporting only and is reclassified at year-end.

Each month the Board receives a copy of an extensive financial statement package. The entire package is posted on the website and is also available for review in the office.

Manager's Annual Report

Last July the Manager, Art Burke, assisted the Marina committee with installing a weather station. I'm sure all will agree that it provides interesting data, especially during storms and wind events. You will find a link to it on the bottom of the main page of the Cape George website.

A dehumidification system was installed in the pool room which made a huge improvement. Heating in the pool changing rooms heating was also improved. The environmental conditions have never been better! Wood window trim, painted to match the HVAC ducting, was installed around the windows. Pool water temperature concerns were addressed by purchasing a thermometer that is accurate to two tenths of a degree. Temperatures are posted Monday through Friday.

Over the winter, drainage system improvements were made to the vicinity of the Workshop. Informal surveys were conducted during storm events. Results show the drainage system is operating as designed.

Traffic speed surveying equipment was purchased to evaluate speeds on our Cape George roads. After experiencing technical difficulties with the equipment, data was collected that showed speeding wasn't as high as originally thought. The tubes had to be pulled up from the roads as a result of damage by the snow plow. The equipment will be installed again this summer to continue the project.

The one-ton truck was replaced this year with a newer model. The 1999 Ranger is also due for replacement this year. We are looking for a 4-wheel drive Ranger or similar sized pick-up truck with less than 110,000 miles.

The clubhouse flooring was replaced with new laminate tile. Volunteers took the lead on tearing down the rooms and putting it back together after the floor installation. The clubhouse looks like a different facility after this much-needed facelift.

In addition to our regular cleaning of the water tank floors, this year the water tank walls were cleaned. We got a clean bill of health! Thanks to the good work of our Water Manager, Greg Rae, we were able to get this work completed at a lower cost than in the past.

Projects worked on by the Office Administrator:

- Annual Water overage invoicing
- Providing monthly safety training to employees
- Assisted Harbormasters and members with moorage, daily moorage and subleasing
- Assisted with the bank signatory transition
- Processed far more than typical numbers of new memberships

Projects worked on by the Maintenance Staff:

- Repaired a water leak under Dennis Blvd
- Installed water meters for new homes
- Pool repairs and maintenance were completed after the pool was drained
- Painted window trim in the pool room
- Cleaned out debris from behind Maintenance Shop

CAPE GEORGE COLONY CLUB
WATER ADVISORY COMMITTEE ANNUAL REPORT
July 2016 – June 2017

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

The Committee is advisory to the Board of Trustees on all matters pertaining to the water system and works to maintain the integrity of the water system. The Committee membership is approved by the Board. Meetings are typically held on the first Tuesday of each month at 5 pm at the Office. Meeting reports are provided to the Board after each meeting.

Greg Rae is the licensed 'Water Manager' and oversees the technical and health-related operations. The day-to-day operations of the water system such as operation of the pumps, tanks and filter system, meter reading, leak repairs and new connections are performed by the Manager and staff. Emergency coverage is provided 24/7 as needed.

The main items of Committee business for the July 2016 – June 2017 year were as follows:

CROSS CONNECTION CONTROL (BACKFLOW PREVENTION) PROGRAM

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

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

Backflow valve assemblies must be inspected and certified annually by a licensed technician and reported to Cape George. The cost of the inspection is borne by the owner. This is a mandatory on-going program with a significant annual workload for the Committee and staff.

DEPT. OF HEALTH

The Dept. of Health Sanitary Survey of our water system occurred on October 20. They reviewed office records and procedures and inspected the operating water facilities. There was one significant deficiency: that we install an air gap for the service water line going into the permanganate solution. There were 2 findings and several recommendations to be addressed. They needed proof that the potassium permanganate used in the treatment system was approved for potable water. That was just a matter of sending them a photo of the label on the container. The second was that we submit photos of the reservoir hatch gaskets on 4, 5, and 6, and the vent screen on 4.

The recommendations were: that Donnie be tested and certified as a water operator which isn't mandated because he's under the supervision of Greg who is certified; that we monitor and record daily chlorine residuals; that we test for iron and manganese monthly by sending that test out to a lab instead of just doing our own test on-site; and that we verify/adjust the number of current connections by separating the Cape George connections (e.g., office, marina, irrigation) from the residential connections.

Subsequently, we had a follow up contact from the DOH. They were concerned that the air vent on Tank 4 could allow rain water or other contamination, even though it's screened. Donnie modified that air vent and then submitted a picture to DOH.

ED SKOWYRA MEMORIAL WATER FACILITIES

In October, we installed a 'high water alarm' that is connected to the auto-dialer to alert staff when the pumps don't shut off and/or the water level in the tanks is above the normal shutoff level or overflowing. In November, we hired a meter technician to calibrate the water source meters on each well and the main meter that we use to report water use efficiency to the DOH. The calibration limits are between 98.5% and 101.5%. We discussed adding a low-pressure alarm for the Highlands pressure system and connecting that also to the auto-dialer. When an operational alarm is triggered, the auto-dialer calls a list of staff to notify them of the alarm, 24/7. We've had a few issues with the auto-dialer itself.

In May we had a firm clean and inspect the inside of the water tanks. The cleaning is done by a scuba diver who is completely suited up and then washed thoroughly with a chlorine solution before he and his equipment enter the tank. It's all done with the tank full of water. They use a vacuum device that removes the scum and sediment that is cleaned from the walls and floor and discharges it outside. No significant issues were found. We have the inside of the tanks cleaned every five years.

REPLACED TRUCK

The old maintenance truck was replaced with a 2004 Ford 450 with half of the cost coming from water reserves. The same arrangement will apply when the pickup is replaced.

WATER LEAKS

There are two sources for water leaks that must be detected and resolved: those in the water system itself which are our responsibility and those on the homeowner's side of the water service. Our recent experience for leaks in the system are at older water service connections to the mains. There is an iron 'service saddle' that wraps around the main and it's held in place by one or more metal straps. We have experienced several failures where the straps have corroded to the point where the strap breaks and allows the saddle to leak. We replace them as needed but that could become an on-going maintenance issue if those older service saddles continue to fail.

For leaks on the homeowner-side, we have an on-going leak reporting system that comes from the water meter reading software each month. One of the members then calls all of the homeowners that the report identifies with a leak or potential leak. That's an important element in our water conservation/efficiency efforts.

EMERGENCY MANAGEMENT

Under the previous procedures, the Emergency Preparedness Committee was instructed to respond to the tank farm and shut off all the water valves in the aftermath of an earthquake to prevent possibly draining the tanks due to water main breaks. We could then determine if there were breaks and control the amount of water we released or ration it. We revised those procedures to shut down two of the water tanks to preserve water storage but to keep the water system pressurized instead of shutting it down completely. A complete shutdown actually introduces backflow conditions and potential contamination and it would then require a major effort to restart the system. By keeping the system pressurized, we reduce the potential for contamination and facilitate the inspection of the system to determine if we do have breaks or significant leaks following an earthquake.

WATER QUALITY

Federal and state laws require every water system operator to take periodic water quality samples to test and document levels of a list of potential contaminants. Results in excess of the established maximum contaminant level would require corrective action. The laws require the water system operator to publish and send a Consumer Confidence Report (CCR) to every customer showing the test results annually. Our CCR was mailed to all of our members with the annual ballots for the Board. Copies of the CCR can be obtained at the office. Cape George does have a water filtration and treatment system to maintain a high level of water quality.

BUDGET

The Committee reviewed and provided input on the annual water operations budget as well as on-going expenses throughout the year. The Committee also reviewed and provided input to the update of the financial reserve study.

BUILDING COMMITTEE ANNUAL REPORT
July 15 2017

Committee Members: Roger Anderson, Mac McDonald, Bill Woodson, John Hanks, Mike Hinojos, Steve Mitchel, Ken Owen, Karen Krug, Ray Pierson, and Bill Deckman (Chair).

During the past year the committee approved/processed: 13 Building Permits
10 Earth Works
3 Variance Requests

June 2016 *Building Permits Issued*

Ann Weaver/Bobbie Hasselbring 42 Quinault Loop, Garden Shed and Green House.
Brad Taylor 241 Colman, Shed

July 2016 *Earth Works Permits Issued*

Colleen Johnson 41 Quinault Loop

Building Permits Issued

Barbra Solomon 488 S. Palmer, New Single Family Residence

Aug. 2016 *Building Permits Issued*

Larry Wood 31 Vancouver Pl. S

Variance Request

George Conner 30 Maxwell Ave. Excess Height of House

Sept. 2016 *Building Permits Issued*

Cheryl Mantlik/Betty Jo Watkins 144 Marine View Pl. New Single Family Residence.

Earth Works Permits Issued

Cheryl Mantlik/Betty Jo Watkins 144 Marine View Pl Excavate for house Construction.

Oct. 2016 *Earth Works Permits Issued*

Jamie Palmer Lot 10 N. Palmer Dr. Perc Test.

Nov. 2016 *Building Permits Issued*

Steve/Anne McFarland 72 Sunset Blvd. Shed

Earth Works Permits Issued

Robin Fling (RDRC Properties) Lot 40 Hemlock Dr. Perc Test.

Dec. 2016 *Earth Works Permits Issued*

Cochran Family, Lot 38 Hemlock Dr. Perc Test.

Jan. 2017 *Building Permits Issued*

William Dunning 37 Fir Pl. Shed

Earth Works Permits Issued

Bobbie Hassilbring AnneWeaver 42 Quinault Loop, Drive Way Work
Arthur Family Lot 18 Spruce Dr. Perc Test

Feb. 2017 *Earth Works Permits Issued*

Jamie Palmer 67 N.Palmer, Install Septic System

Apr. 2017 *Building Permits Issued*

James Doros Lot 2 Rhododendron St. New Single Family Residence
Niemitalo Family 261 Sunset, Shed

May 2017 *Building Permits Issued*

Jamie Palmer 67 N. Palmer, New Single Family Residence
Tibert Family 175 Bridle Way, New Single Family Residence and Shed
Duniho/Graves 33 N. Palmer. , New Single Family Residence

Earth Works Permits Issued

Duniho/Graves 33 N. Palmer, Excavate for New Home,.

June 2017 *Building Permits Issued*

Stanley Kropf 171 Hemlock, New Deck
Arianne Raser 81 Bridle Way, Horse Barn
Dimne Cote 330 N Palmer, Shed

Variances Issued:

Tibert, Connor, and D'Acquisto

Cape George Emergency Preparedness Committee Annual Report July 2017

The Cape George Emergency Preparedness Committee (EPC) was established around October of 2005. Several founding members including Larry Southwick, Dianna Cowan, and John Garrett are still involved today. There are over 25 volunteers between all of our EP committees and teams today. Please be sure to make contact with your Neighborhood Responder if you haven't already.

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

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

Disaster Preparedness Education: Resident Education continues to be a top priority for CG EPC. Karla Kauzlarich has been the chair of the Education Committee but she needs to step away from those duties, so now we are looking for a new person or persons that are interested in that volunteer job. We are grateful for all Karla has done to keep great information flowing in the newsletter and helping with Clubhouse presentations. Thank you Karla!

The educational opportunities this year centered around information tables set up at community events in the clubhouse as well as newsletter articles. We really enjoyed our Cape George University presentation to the community in August of 2016. The subjects covered were pet preparedness (by Cassie Reeves) and Cape George Emergency Preparedness Committee comprehensive plans and tools (by Thad Bickling). We also co-hosted the St. Patrick's Day dinner (with corned beef this year!) where disaster preparedness information was also available.

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

Disaster Planning Activities: The entire Cape George community has been divided into 15 specific areas with one or more **Neighborhood Responders (NR's)** assigned to each area (20+ NR's throughout CG), but we continue to look for additional volunteer Neighborhood Responders for the Village, Highlands and Huckleberry.

The CG Emergency Preparedness teams' primary responsibilities, in a real disaster, are to assess and gather CG condition information and transmit it to the Jefferson County Department of Emergency Management (JCDEM) so appropriate resources can be dispatched to us from Federal, State, or Local Governments. Some triage is planned for both people and property, however, that is only available as our volunteers are willing and able after a disaster.

The EPC was pleased to be at the table working with the CG Water Committee this past year as the updated disaster response plan was being formulated for the water system.

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

Pet/Animal Preparedness Sub-Committee: Chair Cassie Reeves has extensive experience with pet sheltering and preparedness and maintains a portfolio of helpful education materials and plans for CG pets in the event of a disaster.

Greater Community Outreach and Education: The EPC co-chairs and other EPC members are invited to participate in quarterly Neighborhood Representatives' meetings (JPREP) and Neighborhood Preparedness (NPREP) sponsored by Jefferson County Department of Emergency Management (jeffcoeoc.org) and Local 20/20 (l2020.org). Through these meetings the EPC maintains valuable relationships with county DEM personnel and related agencies as well as other East Jefferson community organizers and EPC's. Chair Thad Bickling was an interview panel member that helped to choose our County's new Director of the DEM – Lynn Sterbenz. She is a fantastic addition to our County and comes with a very strong background in understanding of neighborhood preparedness needs.

Cape George EPC will also participate in the 5th annual ***All-County Picnic*** on ***August 20th*** (11am-4pm) at H.J. Carroll Park in Chimacum. This *free* event focuses on emergency preparedness, disaster resilience and related neighborhood organizing efforts. There will be many information and education booths, some hands-on opportunities and great speakers. You will be able to meet many JeffCo public officials and DEM personnel. This event is FREE (including corn on the cob and music) and is open to everyone who lives in Jefferson County. **Please join us there!**

Submitted by:

Thad Bickling, chair Emergency Preparedness Committee
Joan Ballough, chair Disaster First Aid Sub-Committee
Sue Gee, chair Priority Assistance Sub-Committee
Cassie Reeves, chair Pet Preparedness Sub-Committee

CAPE GEORGE COLONY CLUB
ELECTION COMMITTEE ANNUAL REPORT
July 2016 – June 2017

The Election Committee is primarily responsible for ensuring the integrity and accuracy of all elections and votes including elections to the Board of Trustees as well as items from budget votes to changes in bylaws and regulations. In addition to preparing mailing materials for votes and elections, the Committee must verify that only Member “in good standing” are counted. The Committee works closely with the Board Secretary and like all committees at Cape George is advisory to the Board.

The work of the Committee’s occurs in June/July around the annual Board election and also in October/November for the annual budget vote and other matters to be voted on by community Members.

A complete list of the duties and responsibilities of the Election Committee are detailed in the Charter which can be found on the Cape George website.

Members of the Committee this past year include Leslie Fellner – Board Secretary; Joyce Skoien - Co Chair, Scott James – Co Chair; Barbara Barnhart, Bernie Del Valle, Mercy Del Valle, Ben Fellows, Margie Fellows, Kate Franco, Jan Freeman, Gail Kreutzman, Mary Maltby, Dick Maltby, Laurie Owen, Jean Pennington, Marilyn Rogers, Kitty Rucker, Leanne Ryan, Tom Rice, Betty Walker, Cricket Morgan, Suzanne Selisch

ENVIRONMENTAL COMMITTEE ANNUAL REPORT

1. The Environmental Committee works to maintain the community common areas throughout the year. We have regular work parties to weed, clean up, and protect the common areas.
2. The Environmental Committee (EC) sponsors a community Beach Walk each July where we invite the Marine Science Center to come to our beach and give a guided walk to interested community members.
3. The EC sponsors monthly nature movies and discussions of these movies.
4. The EC provided lectures on Environmental issues of interest to the community. (i.e. Wildlife in CG, septic systems, noxious weeds, etc.)
5. The EC raises money for Environmental Activities and projects.
6. The EC sponsors an annual dinner for members and to raise money for our projects.
7. We provide volunteers to do recycling at the clubhouse.
8. We have developed a volunteer list for the maintenance of all of the Cape George common areas.

Fitness Committee Annual Report

The Fitness Room usage continues to grow. We are pleased to see so many new patrons this year.

We had a successful fund drive in February, we raised over \$3500. We currently have \$6842.52 in our account, however \$62.60 of that does belong to the Petanque court committee.

We purchased an upright Lifecycle bike to replace the Airdyne bike that was in the gym. The bike was a reconditioned bike purchased from a company in California that refurbishes equipment. While it was classified as used, it had been a floor model in a showroom and it is as good as new. We have had excellent feedback on it.

With the new arrangement of the Funds accounts, we were told that the Association will take over the purchasing of water, cups, and cleaning supplies in the gym as well as repairs and replacement of equipment with the later coming from money in the reserves.

The committee voted to continue our yearly fund drive in February, so that as we replace equipment we can upgrade it. Our oldest treadmill is 10 years old, while it has been a wonderful piece of equipment; it is getting old and tired. We want to replace it with another Landice, however we will upgrade it to an L8 rather than the L7 that we currently have. It can accommodate more weight, it has a wider deck to walk on and tolerate runners. The L7 is a light commercial grade, and is lighter than it should be for prolonged running and the heavier usage it gets. That is our first priority. Next is a new elliptical as again ours has been heavily used, the oldest one was a reconditioned commercial machine when we bought it many years ago. Thirdly, if the rowing machine needs to be replaced it will be considered.

A manual has been created for the gym that contains all of the equipment manuals, repair information and purchase receipts for the committee to obtain information to maintain the equipment. It will be kept in the cabinet in the gym, committee members have agreed to take on more active of a role in the maintenance and care in the gym if the chairman will stay on in a supervisory role. After any years as the chairman I need to step back and help others fill the necessary role in the care of the gym. I love that I have gotten the opportunity from all of our contributing members to build the gym to what it is; it has been a real passion of mine. We all feel fortunate to have it to help maintain a healthy life style our community.

Lastly our thanks go out to the managers and the office staff, along with Donnie for all the help they have given us.

Phyllis Ballough
Fitness Chair

**Cape George Colony Club
Marina Committee Annual Report
July 2016 - June 2017**

Leadership Team: Sonja Ericson Harbormaster, Craig Muma Committee Chair, Carol Wood - Board Liaison
Volunteer Members: Mac MacDonald, Ben Fellows, Penny Jensen, Jim Bodkin, Gary Rossow, Bob Tilley, Thad Bickling, Archie Bickling, Ken Owen, Marta Favati, Mike LaPointe, Chuck Hommel, Paul Happel, Lad Burgin, Tom Cawrse, Bob Frenette, John Hanks, Sam Melton, Greg Mika, Scott Munson, Jack Scherting, Bob Skoien, Sandi Gulin, Ted Mills, Carl Schwersinske, Dick Poole, Bob Schlentner, Chuck Lewis, Stewart Pugh, Brian Ritchie, Ross Anderson, Mike Heckinger, Marty Bluewater and Sharon Mitchel - Association Manager.

Our membership fluctuates during the year and some of our volunteers do not attend the committee meetings. The Committee meets the first Tuesday of the month and has a work day every Tuesday from 9 AM to noon. Our members are always willing to help on any day of the week as needs arise.

The marina volunteers are dedicated and hardworking. Each contributes to the overall success of the marina with both physical labor and intellect. There is a mountain of work to do and anyone in the community, whether they own a boat or not, is invited to join our team for camaraderie and contribution.

The following Annual Report highlights some of the more significant accomplishments and tasks handled by our committee. The entire picture is too much for this report. The marine environment creates a host of repair and maintenance issues that must be taken care of by our volunteers each week, year round.

Annual Report

1. Inlet silt accumulation monitoring was established to determine how much and from what direction silting occurs and compare it to weather data. Data was collected every two weeks for one year. A summary of the study follows this report.
2. Annual waterfront festival in August was a big success. The regatta race was actively viewed by many, the dog show warmly welcomed with lots of laughter and good cheer, and the barbeque with live music heartily received.
3. Seawall Corrosion Protection – Our anodes (zincs) are being replaced this month, July. A new system using cables welded to the top of the seawall and attached to the zinc plates is being evaluated this year. If successful this will greatly simplify the task.
4. Electrical project. Due mainly to changes in the electrical code the cost of the marina rewiring project has put it out of reach for the reserve funding approved by the members for 2017. The changes are primarily focused on Ground Fault Interruption familiar to all of us in our homes using GFI breakers. The Marina Committee has decided to push the project into 2018 with additional Reserve Funds to do the job properly.
5. Dredging. This past year we were encouraged that the inlet depth seemingly did not rise as much as it has in previous years. The rock jetty we added a few years ago seems to be helping as was hoped. Meanwhile we continue our annual dredging.
6. Pilings. Last year we had the marina pilings inspected and it was determined that three of them need to be reinforced. A bid for the project has been received and the committee will be approaching the Board for a Reserve Expenditure in 2018 to get this vital work accomplished.
7. Floats – After several years of chipping away the marina floats will all have been replaced by years end. This has been no small task and the volunteers are to be heartily applauded for their hard work and dedication. We will now begin to focus on keeping the floats clean of organic growth. This will require about 25 hours of dive time per year.

8. Electricity Usage – We continue to have a shortfall in our Shorepower receipts versus charges. In 2016 we implemented an “amenities fee” of twenty five dollars for all boats with slip assignments to help cover the overage. This year it raised \$1835 which also helps pay for propane, water, and lights in the marina.
9. Security – Each evening a volunteer goes down to the marina at sunset to ensure that all gates are locked and everything is ship shape. The duty rotates every week.
10. Stray current and galvanic corrosion – In 2016 Port Townsend Shipwrights tested and evaluated the marina corrosion potential and identified two boats that needed attention. The marina received a positive report overall. Gary Rossow is coordinator for divers that inspect, clean, and replace zincs on boats.
11. Marina Sale – Several changes were implemented this year to make the marina sale run more smoothly and profitably. We had the best marina sale ever.
12. Paul Happel did a wonderful job of updating photos on our outdoor display panels. He took the extra step of protecting the photos with UV resistant sleeves.
13. Log removal – Logs continue to visit our marina. Apparently word is out among the log society that we have a party going on. Our Volunteers once again handle it with aplomb.
14. Harbormaster – A tumultuous Year. Penny Jensen resigned in September. Penny was amazing as Harbormaster. She truly set the bar for future office holders to aspire to. Her list of accomplishments would dwarf the Encyclopedia of Maritime “get ‘er dun”. Thank you Penny; what are you doing next week?
15. In January we found ourselves Harbormasterless when Richard Woodcock answered the call of family and friends and moved back to England. Richard is missed.
16. Scott Munson as the new Harbormaster, among other things, did a commendable job of selling the derelict Newport sailboat that the Association impounded and placed at auction. We gratefully acknowledge Scott for stepping up and being Harbormaster.
17. New Harbormaster – In May we welcomed Sonja Erickson as Harbormaster. It is a challenging job and Sonja is doing it masterfully. Sonja comes with an impressive maritime resume. We firmly believe we now have our Harbormaster of the future.
18. We are proposing that an “official” position of Assistant Harbormaster be adopted by the Board and placed into our policies and procedures. A suggested job description and level of authority is being drafted.

We thank the community of Cape George for its support. We invite each and every member to visit and enjoy the amazing gift the marina provides. Something about watching boats bobbing about in a safe harbor evokes poetic images of peace and tranquility in all of us.

Summary of Cape George Marina Channel Sedimentation and Environmental Conditions Study; July 2016-June 2017

9 July 2017

James L Bodkin, Penny Jensen and Bob Frenette

Cape George Marina's annual budget for many years has included \$12,500 to dredge and remove sediments which accumulate in the entrance channel to our Marina. These sediments make it difficult, and at times impossible for boaters to come and go as they wish (i.e. sailing, rowing, cruising, fishing, etc). Marina tenants pay for the dredging. In addition to fiscal costs there are environmental effects and continued permitting may be contingent on efforts to reduce the frequency of dredging.

In July 2016, Jim Bodkin, Penny Jensen and Bob Frenette began a study of wind direction and velocity and the effects of these forces on sediment buildup in the channel. This was the first study of this type conducted at Cape George. Every 2 weeks for the following year Jim and Penny (and a few others) rowed out to our channel markers near low tide, and measured the depth of the water from a fixed point on each marker (and thus by subtraction measured sediment depths). During the winter months, including Christmas Day, in darkness headlamps glowing, rain, and cold they measured. (Rumor has it, it was a lot of fun.)

Penny, along with the support of the Marina Committee and using funds from the Fund Raising Account, recommended the purchase of a Davis Weather Station. Bob Tilley installed the instrument at the Marina atop the large blue Cape George sign in August 2016. Using weather station data, Bob Frenette downloaded over 90,000 records of wind direction and velocity. Monthly, even while snowbirding in Havasu, Bob would send Jim and Penny and other interested members summaries of wind data with accompanying polar charts.

Figure 1 below illustrates the predominance of southeasterly winds during the study. More than 90% of significant winds (>20 knots) were from the southeast to east directions. Preliminary analysis of the data demonstrates that for 2016 and 2017 (the time frame of our work), both southerly and northerly winds of high velocity and of long duration contribute significantly to deposits of sediment in the channel. Sediments were deposited

primarily on the south side of the North jetty where about 15" of sediments eventually accumulated, with relatively little change along the south side of the channel observed (Figure 2). It is the recommendation of this research team that these data be provided to a coastal geomorphologist for further analysis and guidance on how we could reduce sediment buildup in the channel and potentially the need for annual dredging.

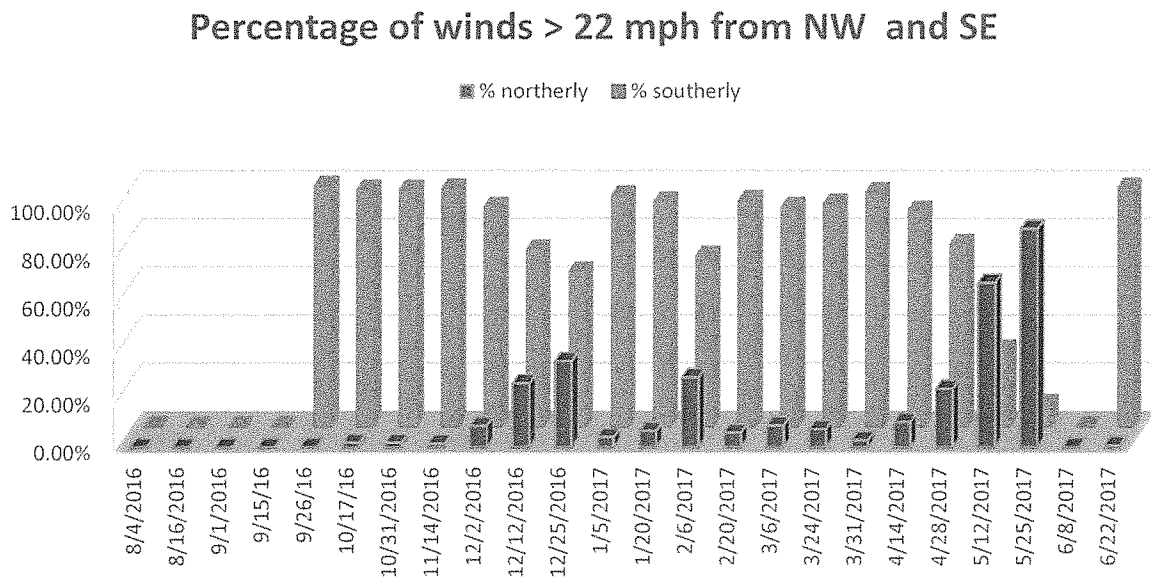


Figure 1. Plot of significant winds (>20 knots) from 8 July 2016 through 22 June 2017. Overall, 90% of significant winds were from a southerly direction (Southeast to East)

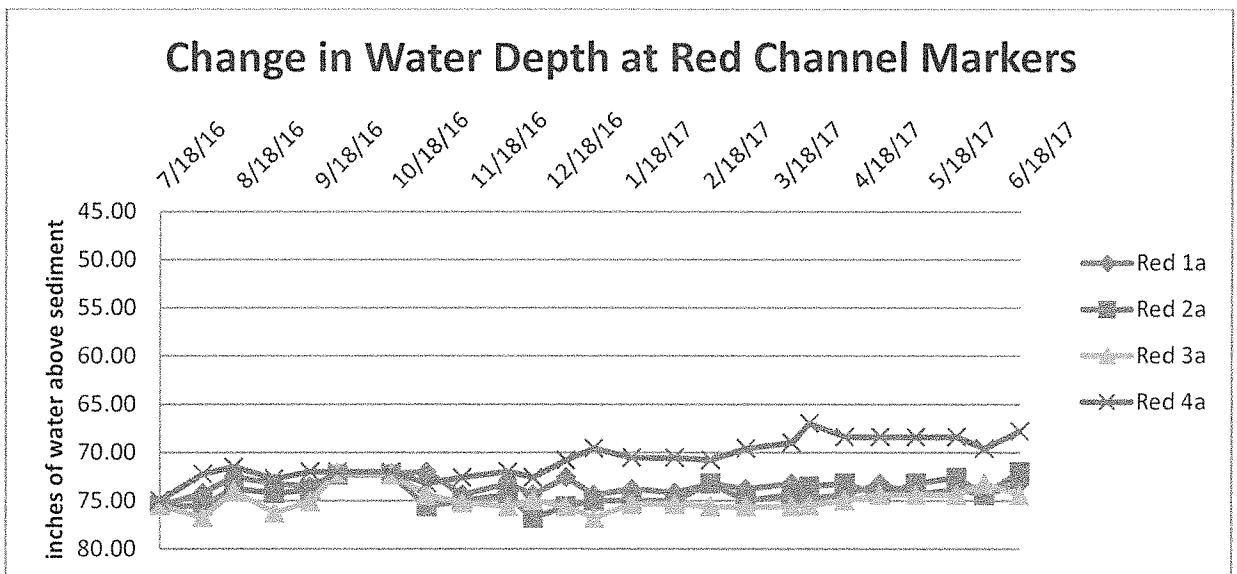
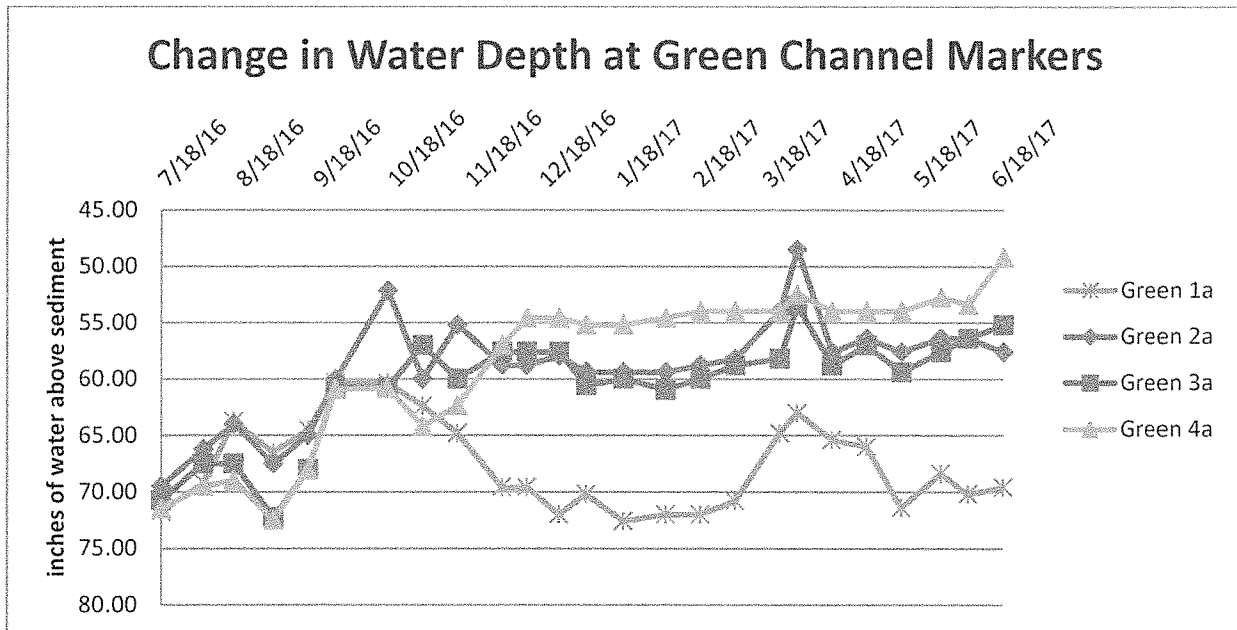


Figure 2. Change in depth of sediments at Cape George Marina Channel July 2016- June 2017. A decrease in water depth corresponds to an increase in the depth of sediments at each channel marker over time. Green refers to the North and Red refers to the South channel markers. Numbers refer to the position of each marker with 1 being the most seaward and 4 the least.

CAPE GEORGE COLONY CLUB
ROADS COMMITTEE ANNUAL REPORT
July 2016 – June 2017

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

The purpose of the Committee is to: review and advise the Board regarding all roads issues; review and approve driveway and ditch/culvert permits; work with the Manager on roads operations, maintenance and repair issues; and submit recommendations for annual budget needs for roads.

The business for the 2016 – 2017 year was as follows:

On-going Activity

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

The Committee inspects our roads and advises the Manager and Board regarding on-going maintenance and operation. Good maintenance of road shoulders and ditches is important and a cost-effective measure to help preserve our roads. Although our roads appear to be in good shape, we still need to conduct annual inspection and evaluation to insure their future service to our membership.

We assist the Manager and Board with the annual review of the Reserve Study related to long-term pavement repair planning. We are setting aside reserves for future larger scale projects but none are in the near term. We'll be more specific as those projects get nearer. See the Reserve Study for more information.

Pavement Repairs

In June, we assisted the Manager in identifying locations throughout Cape George that need pavement repairs and prepared a Request for Bids which was sent to the two primary paving contractors in the area. Bids will be received after this report is written but before the July Board meetings where we plan to recommend award of a contract for the work. The repairs are in 9 small sites located throughout Cape George.

This type of contract repair is done periodically as needed and budgeted. Typically, they are just small localized settlements or breaks in the pavement. A couple sites are where water services were installed that required cutting the pavement. We are seeing a couple areas that will need similar repairs in the future but over a longer section of roadway with related higher costs.

Drainage Issues

The Committee also worked with the Manager on several minor drainage issues along our roadways this year.

Cape George Pool Committee Annual Report

July 5, 2017

Pool-associated activities over the past year

- The pool dehumidification project was started Sept. 12 and completed Sept. 30. During that time the pool was drained, plaster was patched, a guard rail was replaced, lap lines were painted, and a ventilation system was installed.
- In Feb. we were notified by Puget Power that the electrical service was being recalculated to reflect the proper charge for service.
- The pool committee sponsored the annual St. Patricks dinner with the help of the Emergency Prep committee on March 18. 63 people attended. A raffle was held and \$204 was donated to the Emergency Prep Committee. \$284.91 was raised for future projects.
- West Coast Waterjet cut stainless steel posts for the benches. Ken Owen will do the welding.
- The old metal trim around the windows is being replaced with wood and should be completed soon.
- New shower stalls are in the budget for 2018.
- The pool temperature is noted daily on the south wall.
- The pool remains a tremendous asset for the community. Everyone is encouraged to use it. A list of activities is posted on the first inside door. Persons associated with those activities can be contacted for demonstrations.

Respectfully, Neil D'Acquisto, Chairman

Work Shop Annual Report
FOR BOARD MEETING JULY 2017

Major Accomplishments of the Work Shop:

- Purchased generator and transfer switch for the workshop.
- Repaired picnic shelter; bolted everything down to the concrete slab.
- Process of painting the kitchen in the workshop.
- Hosted the New Year's Eve celebration.
- Hosted the 2016 salmon barbeque.
- Purchased new hand drills for the workshop.
- Organized the attic in the workshop.
- Cleaned and organized the rear area of the workshop

CAPE GEORGE SOCIAL CLUB Annual Report July 2017

This year the Social Club has been busy. In addition to the usual potluck BBQs, we also held the annual Band on the Beach in August with \$700 from Granny's Attic and the Social Club general fund.

We continue to sponsor the popular pickleball court and made a \$250 donation towards the petanque court. Our newcomers were welcomed by Jo Nieuwsma and the Social Club contributed towards their dinner at the Halloween dinner in October sponsored by the Environmental Committee. We keep clubhouse supplies stocked for use by all of the committees (plates, cups, napkins, etc.). We donated \$500 towards the Workshop's generator fund and paid almost \$1,015 for the new grills on the rebuilt brick BBQ. They will be enjoyed for many years to come.

We held the ever-popular Granny's Attic sale in April, raising \$2,900 for our treasury. Cape George University continues to be well attended with a wide range of interests and interesting speakers. The Soup Suppers are also very popular with members.

We were able to find 2 8x10 rugs for the Clubhouse for \$327.49 plus a generous \$100 donation. We sponsored a going-away party for Art Burke and presented him with framed artwork by Allan Zee. We spent \$411.60 for the picture rail and new lighting for the new Art Wall that is appreciated by all. Watch for new exhibits to enjoy!

We look forward to the year ahead and doing more for the community. We are currently considering replacing the outdated digital projector used at the Clubhouse in community activities and presentations. Both presenters and viewers will appreciate and benefit from the newer technology available.

We would like to thank those active members for their support and encourage everyone to get involved and attend the bi-annual Social Club meetings. We discuss and vote on all of our larger expenditures at these meetings, so if you want your voice to count, please come.