

**CAPE GEORGE COLONY CLUB  
ANNUAL MEMBERSHIP MEETING  
July 20, 2019  
2:00 PM**

**President Katie Habegger called the meeting to order at 2:00 p.m.**

**Welcome**

**Trustees in Attendance:** Richard Hilfer, Karen Krug, George Martin, Katie Habegger, Joel Janetski and Ray Pierson

**Action on Minutes:** Lad Burgin moved and Marty Gilmore seconded to approve the minutes of the Annual Membership Meeting of July 14, 2018. Passed by those in attendance.

**Annual Membership Report: Joel Janetski**

There were 35 properties sold between July 2018 and July 9, 2019.  
Of the properties purchased 27 are homes and 8 are lots.  
An additional 4 homes are currently in escrow, pending close of sale.  
As of July - 7 new homes have been completed and 6 more 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, Environmental, Fitness, Marina, Welcoming and Roads. The Emergency Preparedness report was distributed at the meeting.

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

The Social Club also submitted a report to the board.

**Member Participation: None**

**Open Board Discussion:**

Ray Pierson acknowledged Ross Anderson for his service on the board. A heartfelt "Thank you" to Ross for all he has done for the community.

Richard Hilfer asked if there was an update about software changes to our water meter reading. Marty Gilmore, Water Committee Chair responded. The reading equipment is fine for now and the software is available for Windows 10 platform. There will be no large expenditures for upgrades.

George Martin thanked the pool committee for their efforts in the shower remodel projects.

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**Election Results: Report by Scott James, presented by Joel Janetski, Secretary**

The Election Committee including the Board Secretary, meet on July 12, 2019 at 9:00am in the Cape George office to count appropriately submitted Member ballots for the election of two new Board members.

There are 662 revenue lots plus 6 half lots for a total of 665. For this tally, 658 of those belong to Members in Good Standing. A quorum of Members is therefore 164.5 (25% of 658).

A total of 229 ballots were received and nine (9) of those could not be counted. One (1) not in an envelope therefore unable to identify the voter, one (1) from a member not in good standing and (7) trust accounts were not properly identified. There were 220 total votes counted. Nothing in this election required a super majority.

Not everyone voted for both candidates and there was one vote for none of the above.  
The voting results are:

Candidate	Number of Votes
Lad Burgin	200
Ray Graves	205.5

Members of the Election Committee at today's meeting were: Co-Chair Scott James; Mercy Del Valle; Bernie Del Valle; Kitty Rucker; Laurie Owen; Tom Rice; Betty Walker. Special thanks to Pat Rooney, Manager and Terri Brown, Office Administrator for assistance in obtaining the required information and materials.

**Adjournment:**

Ray Pierson moved and George Martin seconded to adjourn at 2:10 pm. Passed unanimously

**Submitted by:**

**Approved by:**

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**Joel Janetski, Secretary**

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**Katie Habegger, President**

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**Treasurer's Report for the Annual Meeting - July 20, 2019**

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**TAXES**

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 some 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, some Washington business and excise taxes and a few county property taxes.

**Reserves**

Cape George, as it is required to do, separates accounting transactions between routine recurring operations and the reserve funds that are held for major repair and/or replacement of long lived assets. Internally Cape George categorizes all transactions, both operational and reserve, into three cost centers, General, Water and Marina. Each cost center is funded through separate methods, i.e. general assessments, water fees, etc. and each cost center has a unique corresponding reserve account. Each cost center's reserve is funded through a combination of that cost center's excess cash from its operations and a Bylaw prescribed portion of the Reserve Assessment.

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

Each reserve - General, Water, Marina - is funded with year-end cash from the activities of each respective cost center. In 2015, by Member vote, a second funding mechanism was added. This reserve assessment is allocated to the three reserves at year-end based on percentages specified in the Bylaws using the latest full or comprehensive external reserve study. The next full reserve study will be due in 2020.

RESERVES	General	Water	Marina	Routine Reserve
<b>Audited Reserve Balance - 12/31/2017</b>	<b>\$ 225,376</b>	<b>\$ 554,668</b>	<b>\$ 104,979</b>	<b>\$ 12,344</b>
(1) 2017 Final excess cash from operations (03/19/18)	11,914	8,840	6,788	0
(2) 2018 Interest and other misc. reserve collections	588	1,509	151	828
(3) 2018 Excess cash transfer from Operations	29,008	40,880	10,165	0
(4) 2018 Allocation of Reserve Assessment (12/14/18)	37,734	66,903	19,487	(124,124)
(5) 2018 Member approved Reserve Project Draws:				
Marina Electrical project			(103,573)	
Replace one Pool heat pump	(11,263)			
Pool painting and repair	(10,254)			
Fitness Room bike replacement	(3,500)			
(6) 2018 Reserve assessment collections				112,711
(7) Prepayments of 2019 Reserve assessment				14,774
<b>Audited Balance - 12/31/2018</b>	<b>279,603</b>	<b>672,800</b>	<b>37,997</b>	<b>16,533</b>
( 8) Final 2018 excess cash from operation (4/05/19)	12,000	11,000	12,019	0
( 9) Final 2018 Routine Reserve allocation (4/05/19)	486	862	252	(1,600)
(10) 2019 YTD interest and other minor activity	344	618	35	37
(11) 2019 YTD Project Draws (thru 6/30/18):				
Pool shower room major repairs (2018 project)	(7,740)			
Marina road repair			(14,020)	
( 12) 2018 YTD collections Reserve Assessment		0	0	50,549
<b>Unaudited Balance - 06/30/2019</b>	<b>284,694</b>	<b>685,280</b>	<b>36,283</b>	<b>65,519</b>

As part of the 2019 budget, Members approved \$45,200 in reserve expenditures for six (6) separate projects. The marina gravel repair project is complete and the marina dock water project is currently underway. The Sports Court resurfacing has been completed but project funds have not yet been drawn. It was determined that the Toro riding mower did not need to be replaced this expenditure will not happen. The major repair of the water system booster pumps is currently being re-evaluated.

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**SUMMARIZED BALANCE SHEETS FOR PERIODS INDICATED**

	Year-to-date 06/30/18	Audited 12/31/18	Audited 12/31/17		Year-to-date 06/30/18	Audited 12/31/18	Audited 12/31/17
<b>Assets</b>				<b>Liabilities &amp; Fund Balances</b>			
Operations - Checking	\$ 120,443	\$ 125,357	\$ 89,933	Current Liabilities:			
Operations - Savings	155,401	82,298	82,024	Accounts Pay. & Other Liabilities	\$ 50,433	\$ 19,574	\$ 19,761
Petty Cash (2 accounts)	74	300	600	Unearned Income General/Water	69,123	77,884	71,324
Reserves-General, Water, Marina	1,006,257	990,401	885,022	Unearned Reserve Assessment	13,248	14,774	11,866
Routine Reserve	65,519	16,533	12,344	Unearned Marina Waiting List	1,950	4,145	1,650
Total Cash & Equivalents	1,347,694	1,214,889	1,069,923	Due to Operations (1)	-	7,740	11,263
Net Accounts Receivable	6,405	284	334	Total Current Liabilities	134,754	124,117	115,864
Due from Reserves (1)	-	7,740	11,263	<b>FUND BALANCES:</b>			
Total Net Fixed Assets (1)	1,796,246	1,779,253	1,771,040	Fund Balances (Combined)	2,899,229	2,761,054	2,653,054
Total Prepaid & Other Assets	35,912	21,179	24,357	Modified Cash Basis Income(1)	152,275	138,174	107,999
<b>TOTAL ASSETS</b>	<b>\$3,186,258</b>	<b>\$3,023,345</b>	<b>\$2,876,917</b>	<b>Total Liabilities &amp; Fund Balance</b>	<b>\$3,186,258</b>	<b>\$3,023,345</b>	<b>\$2,876,917</b>

(1) Due from Reserve/Due to Operations and Depreciation are only recognized at year end.

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 are due in part, to the reserve assessment which started in 2015. Current liabilities include all outstanding accounts payable, employment taxes and vacation accruals.

**SUMMARIZED OPERATING RESULTS**

There are 662 equivalent lots that pay the general assessment used for overall operations through the Association. The general assessment accounts for about 88% of all general operations revenue which is recognized on a quarterly basis. The remainder of general operations revenue is generated by various fees, charges, donations and fines throughout the year.

As of 6/30/19, there were 543 water connections throughout the association an increase of 19 since last year. Lots with water connections are the only lots charged the basic \$360 annual water fee and this basic fee accounts for around 97% of all water revenues.

The operations of the marina are funded by the 120 plus Members who use the marina. The revenues comes through moorage, trailer parking, rampage and a number of other categories. Marina revenue is not generated throughout the year as are the other two cost centers but rather. Instead, nearly 97% of all marina revenue is collected during the first three months of the year.

The mid-year (unaudited) operating results are presented below with a more detailed view on the next page.

UNAUDITED	6/30/2019	6/30/2019	
Modified Cash Basis	YTD Actual	YTD Budget	Difference
<b>General Operations</b>			
Total Revenue	\$ 164,108	\$ 161,565	\$ 2,543
Expenses	(154,244)	(145,876)	(8,368)
Deprn & Bad Debts (1)	(568)	(1,704)	1,136
General Net Income	\$ 9,296	\$ 13,985	\$ (4,689)
<b>Water Operations</b>			
Total Revenue	\$ 101,985	\$ 95,460	\$ 6,525
Expenses	(71,255)	(75,152)	3,897
Deprn & Bad Debts (1)	(180)	(900)	720
Water Net Income	\$ 30,550	\$ 19,408	\$ 11,142
<b>Marina Operations</b>			
Total Revenue	\$ 74,091	\$ 66,314	\$ 7,777
Expenses	(26,027)	(25,081)	(946)
Deprn & Bad Debts (1)	-	-	-
Marina Net Income	\$ 48,064	\$ 41,233	\$ 6,831
Reserve Net Income (2)	\$ 64,364	\$ 61,679	\$ 2,685
<b>Combined Net Income</b>	<b>\$ 152,274</b>	<b>\$ 136,305</b>	<b>\$ 15,969</b>

(2) Includes Reserve interest income.

Each month the Board receives a complete copy of the monthly financial statements and other related material. That information is available on the website and in the office.

The audited operating results with commentary were present in the March 2019 Board meeting material.

AUDITED	12/31/2018	12/31/2017	
Full Accrual	Audited	Audited	Difference
<b>General Operations</b>			
Total Revenue	\$ 332,273	\$ 326,556	\$ 5,717
Expenses	(283,659)	(279,760)	(3,899)
Deprn & Bad Debts	(75,765)	(79,422)	3,657
General Net Income	\$ (27,151)	\$ (32,626)	\$ 5,475
<b>Water Operations</b>			
Total Revenue	\$ 196,982	\$ 192,504	\$ 4,478
Expenses	(133,820)	(141,192)	7,372
Deprn & Bad Debts	(23,946)	(24,862)	916
Water Net Income	\$ 39,216	\$ 26,450	\$ 12,766
<b>Marina Operations</b>			
Total Revenue	\$ 71,709	\$ 69,382	\$ 2,327
Expenses	(49,525)	(53,007)	3,482
Deprn & Bad Debts	(23,383)	(22,047)	(1,336)
Marina Net Income	\$ (1,199)	\$ (5,672)	\$ 4,473
Reserve Net Income	\$ 127,308	\$ 119,847	\$ 7,461
<b>Combined Net Income</b>	<b>\$ 138,174</b>	<b>\$ 107,999</b>	<b>\$ 30,175</b>

The Board receives a complete copy of the audited financial statements and related material. That information is available on the website and in the office.

A more detailed commentary on mid-year operating results is included on the next page.

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**MID-YEAR OPERATING RESULTS**

Modified Cash	6/30/2019 ACTUAL	6/30/2019 Budgeted	Variance	%	Comments on Operations through June 30, 2019
<b>General</b>					<b>General</b>
General Assessment	\$ 153,584	\$ 153,584	\$ -	0%	The largest "Other Revenue" categories, are Lot Mow and Fines. Lot mow revenue is down while fine revenue is up, the two variances nearly offsetting each other.
Revenue-Other sources	10,524	11,013	489	0	
Total General Revenue	\$ 164,108	\$ 164,597	\$ 489	\$ (0)	The favorable labor variance is both a seasonal timing artifact for Caretakers and having only two employees eligible for health insurance during the first quarter. Also impacting the variance is the switch from in-house to external bookkeeping so there is some offsetting unfavorable variance in Contracted Services. Lastly, all the 2018 year-end labor accrual reversed in General.
Expenses:					
Salaries, Benefits, etc.	76,991	84,453	7,462	9%	The unfavorable variance in Contracted services is also being driven by higher than anticipated legal costs.
Repairs & Maintenance	3,016	4,175	1,159	28%	
Contracted Services	25,871	21,657	(4,214)	-19%	The unfavorable variance in Pool expenses and Utilities are the result of slightly higher electricity charges.
Supplies & Small Tools	4,304	4,875	571	12%	
Insurance	8,877	10,665	1,788	17%	Other operating expenses include the non-reserve purchase of new capital for \$3,300 and also some recruitment costs for the new Manager. In July there will be an additional \$4,000 in relocation costs charged against this account.
Pool expenses	18,091	16,000	(2,091)	-13%	
Taxes, Federal & State	1,062	1,400	338	24%	
Utilities	7,789	5,945	(1,844)	-31%	
Other operating expenses	8,811	11,343	2,532	22%	
Total General Expenses	154,812	160,513	5,701	4%	
General Net Income	\$ 9,296	\$ 4,084	\$ 5,212	128%	
<b>Water</b>					<b>Water</b>
Total Water Revenue	\$ 101,985	\$ 96,820	\$ 5,165	5%	Increased water revenue is due primarily to new water meters which are never budgeted since the number is unpredictable.
Expenses:					The labor variance and contracted services variance are the same as described in General without the year-end reversal.
Salaries, Benefits, etc.	35,692	35,898	206	1%	Water repairs are always budgeted with room for unexpected events and none has occurred to date. In addition, repairs are budgeted evenly throughout the year but generally occur in the summer and fall so some of the variance will diminish.
Repairs & Maintenance	963	3,494	2,531	72%	Insurance costs, like in General and Marina did not increase as much as expected during the first half of 2019. New policies become effective in July and there are some minor increases.
Contracted Services	10,894	9,229	(1,665)	-18%	Other operating expenses like General include recruitment and relocation costs and there will be about \$2,000 charged in July.
Supplies & Small Tools	4,582	6,050	1,468	24%	
Insurance	7,005	5,118	(1,887)	-37%	
Utilities	4,754	6,475	1,721	27%	
Taxes, Federal & State	6,812	6,150	(662)	-11%	
Other operating expenses	733	5,751	5,018	87%	
Total Water Expenses	71,435	78,165	6,730	9%	
Water Net Income	\$ 30,550	\$ 18,655	\$ 11,895	64%	
<b>Marina</b>					<b>Marina</b>
Total Marina Revenue	\$ 74,091	\$ 69,542	\$ 4,549	7%	Increased moorage and ramp fees are the primary reasons for the favorable marina revenue variance.
Expenses:					Labor and contracted services are impacted by the things described in General. The year-end labor reversal did not impact the Marina.
Salaries, Benefits, etc.	10,169	10,036	(133)	-1%	Repairs through June do not include the \$9,300 dredging costs that will be recognized in July.
Repairs & Maintenance	2,939	7,633	4,694	61%	Other operating expenses like General include recruitment and relocation costs and there will be about \$600 charged in July.
Contracted Services	2,746	2,281	(465)	-20%	
Supplies & Small Tools	1,174	1,088	(86)	-8%	
Insurance	3,811	3,402	(409)	-12%	
Utilities	4,977	3,900	(1,077)	-28%	
Taxes, Federal & State	0	800	800	100%	
Other operating expenses	211	1,937	1,726	89%	
Total Marina Expenses	26,027	31,077	5,050	16%	
Marina Net Income	\$ 48,064	\$ 38,465	\$ 9,599	25%	
<b>Reserve Assessment</b>					<b>Reserve Assessment</b>
Reserve Income & Expense	\$ 64,363	\$ 63,936	\$ 427	100%	Interest income, which is never budgeted, is the primary reason for the favorable variance. For the first half of 2019 interest income on the reserves is just under \$1,000.
Combined Net Income	\$ 152,274	\$ 125,139	\$ 27,133	22%	

Each month, in addition to the Treasurer's Report, Board members receive a copy of an comprehensive financial statement package. That entire financial package is posted on the website as part of the monthly Board packet and is also available for review in the office.

## 2018 – 2019 Manager Annual Report

2018 became a year of transition. At the end of the year Bookkeeper Sally Lovell left Cape George. This paved the way for implementation of outsourcing accounting activities. Community Financials of Denver, Colorado was chosen by the Trustees. Additionally, this led to an upgraded accounting/management software program without additional cost to the community.

Manager Sharon Mitchel also gave her notice that she would retire at the end of 2018. She stayed an extra month to help with the transition to the new manager. Sharon and her husband have since sold their home in Cape George and moved closer to relatives in fly-over country.

2019 has been fast paced with many new systems being implemented. Recently each owner received a letter from Community Financials. You have payment options you can utilize online. You can even see your account balance.

Consolidation of bank accounts has taken place with new bank Pacific Premier Bank of Irvine, California. This reduces a tremendous burden of performing reconciliation of monthly bank statements. You may have noticed that banking and accounting are out of state entities. Modern technology is rapidly expanding capabilities far beyond Washington State. Cape George is now starting to join the 21<sup>st</sup> Century.

As part of the new accounting/management software, data is being stored in a “cloud’ based system. This is a much safer system than having it at the office.

We utilize a new software vendor system for vendor payables that allows approvals of invoices by Trustees to be paid without having to come into the office. This system ties into our accounting system with Community Financials that makes the process streamlined. While there have been a few bumps along the way, each day we make progress in becoming efficient.

For snowbirds in the community you missed “snowmageddon”. In February we had three significant snow storms in a two week period. Since I was new and told it rarely snows here and when it does it is mild, I decided that mother-nature wanted to welcome me to the community in her own way. This kept Donnie very busy putting in additional hours to plow streets. We also went through a very high volume of ice melt that was applied repeatedly at strategic locations to fight ice conditions.

In April, a new Toro Riding mower was purchased. It replaces an older worn down Craftsman mower. That was almost 20 years old. A new larger commercial grade air compressor was purchased for the water filtration system at the Tank Farm. The sport court is getting ready to have a professional re-surfacing done.

Six new homes have been built or are in the process of being built so far this year. More are on their way.

The road from the north clubhouse parking lot to the south marina boat lot has received fresh gravel and we were finally able to get a service to use a brush truck to clean up certain streets that had a build-up of moss and debris. The Workshop committee is getting ready to work on the south wall of the workshop that has deteriorated.

I wanted to take this opportunity to thank Donnie Weathersby, Aimee Garrett, and Office Administrator, Terri Brown for their support in helping me learn the community and the "Cape George Way" of operations.

I remain impressed by the level of volunteerism of community members. A group of volunteers is installing a new water system for the docks. The Environmental Committee has held weeding events to fight noxious weeds. Grannie's Attic ad Marina Sales were a great success.

In closing, I wish to thank the committee chairs, committee members and The Board of Trustees in providing me assistance and giving me an opportunity to be a part of the Cape George Community!

Patrick J. Rooney

Manager

BUILDING COMMITTEE ANNUAL REPORT  
July 2019

Committee Members: Bill Woodson, John Hanks, Mike Hinojos, Richard Hilfer, Ray Pierson, Hamilton Hazelhurst, and Bill Deckman (Chair).

During the past year the committee approved/processed: 12 Building Permits  
17 Earth Works

June 2018 *Earth Permits Issued*  
Wainwright, 351 Ridge  
Keller, Sunset Blvd.  
Taylor, Lot 45 Sunset Blvd.

July 2018 *Building Permits Issued*  
Porter, 179 S Rhody Dr. New Home.

Aug. 2018 No *Building Permits Issued*

Sept. 2018 No *Building Permits Issued*

*Earth Works Permits Issued*  
Major, 141 Ridge  
Major, 171 Pine  
Bolstad Lot 1 Sunset Blvd.  
Ericksen 280 Ridge

Oct. 2018 *Earth Works Permits Issued.*  
Erley, 430 Ridge  
Rickher, 80 Victoria Loop

Nov. 2018 *Building Permits Issued*  
Taylor, 475 Sunset, Home

*Earth Works Permits Issued*  
Goodnight, 61 Hemlock

Dec. 2018 *Earth Works Permits Issued*  
Friend, 410 S Palmer  
Berger, 61 Quinault Loop  
Koch, Lot 72 Fir Place

Jan. 2019 *Building Permits Issued*  
Wilding, 460 S Palmer, Home  
Bishop, 321 Colman Dr. Home



Gale, 97 Pine. Shed  
Rice, 50 S Palmer, Deck Exten

*Earth Works Permits Issued*  
Gagliaroi, 461 Dennis

Feb. 2019 *Building Permits Issued*  
Dowd, 62 Sunset

*No Earth Works Permits Issued*

Mar. 2019 *No Building Permits Issued*

*Earth Works Permits Issued*  
Jensen 481 Dennis

Apr. 2019 *Building Permits Issued*  
Vandervan, 170 Alder, Fenced Garden

*No Earth Works Permits Issued*

May 2019 *Building Permits Issued*  
Asare, 340 Ridge, Greenhouse  
Hanson, 260 Ridge, Shed  
Hanson, 260 Ridge, Fence  
Heckinger, 170 Sunset, Shed

*Earth Works Permits Issued*  
Wait, Lot 11 Sunset  
Green/Smith, 310 Colman  
Carmody, Huckleberry

June 2019 *No Building Permits Issued*

*No Earth Works Permits Issued*

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CAPE GEORGE COLONY CLUB  
ELECTION COMMITTEE ANNUAL REPORT  
July 2018 – June 2019

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 Joel Janetski – Board Secretary; Joyce Skoien - Co Chair, Scott James – Co Chair; Barbara Barnhart, Bernie Del Valle, Mercy Del Valle, Margie Fellows, Kate Franco, Gail Kreutzman, Mary Maltby, Dick Maltby, Laurie Owen, Jean Pennington, Marilyn Rogers, Kitty Rucker, Leanne Ryan, Tom Rice, Betty Walker

# **Cape George**

## **Emergency Preparedness Committee**

### **Annual Report July 2018-July 2019**

The last year has been a very good one for our team. We have received more hands on training than in previous years while also providing more education to our community members than in some previous years.

Several EP team members joined Thad Bickling to help run the “Best Practices” booth at the annual preparedness themed All County Picnic on August 19<sup>th</sup>, 2018. This event will be held again this year on August 18<sup>th</sup> at H.J. Carroll Park in Chimacum and several CG EP members will be present again. The event is a free educational opportunity for all Jefferson County residents and provides 40 or more booths of emergency/disaster preparedness information and tutorials. We hope to see many Cape George residents there.

On September 29<sup>th</sup> the Jefferson County Dept. of Emergency Management (DEM) conducted an exercise with our EP team in the Clubhouse and on the waterfront beach near the North seawall. The purpose of the exercise was to familiarize ourselves with post-disaster medical evacuation procedures via boat or float plane (Disaster Air Rescue Team – D.A.R.T.) as that may be a necessity following a disaster here. We learned a lot, but most importantly we learned that it will work. The DEM also provided us with a special kit with proper float plane handling gear.

October is always SHAKEOUT month with a drop, cover and hold practice emphasis. On the 18<sup>th</sup> the CG EP team met in the Clubhouse with radios and listened for the tsunami siren at Diamond Point while practicing our drop, cover and hold abilities. We followed the shakeout drill with a standard FRS radio test among our teams and HAM radio operators.

Our NOAA Alert radios woke us up at 1:35am on January 23<sup>rd</sup> to let us know there had been an 8.0 earthquake in the Gulf of Alaska. Several EP team members were up and exchanging information as it was coming in. There was a potential for tsunami activity but by 2:30am it had been determined there was no tsunami and no affect on the Puget Sound region. If there had been a tsunami estimated to affect us here, our teams would have begun alerting vulnerable bluff and low-lying area residents. How many CG residents have NOAA Alert radios? We recommend every household get one.

The 2018 St. Patrick's dinner was hosted by the EP committee with considerable help from Pool committee volunteers. This was a great success (netting our committee over

\$600) and a great opportunity for our team members to meet many Cape George residents. We of course took time to plug our efforts in education here and we were fortunate to receive several inquiries from new volunteers to EP.

Wildland fires have been on everyone's mind this year after NOAA weather maps showed a severe fire danger potential for much of the Puget Sound region. We contacted East Jefferson Fire Rescue Chief Jim Walkowski to arrange a presentation on Wildland Fire Risk Mitigation for May 30<sup>th</sup>. Chief Walkowski is an excellent speaker and teacher so everyone went away with all the informational tools they needed to begin logical trimming of “ladder fuels” and general mitigation around each of their homes. The fire danger is still high so we strongly recommend every homeowner take a good look at vegetation around their homes and mitigate as needed. The goal is for everyone to create defensible spaces around their properties so that firefighters will be able to safely engage and defend your home if a fire gets near.

Our Disaster First Aid Committee (DFAC) engaged with JeffCo DEM and Providence Healthcare System to participate in sorting through a warehouse of first aid materials. Providence is trying to significantly reduce their waste and began this program in 2018. These materials are considered “expired” for hospital legal standards, but are really the types of materials that will easily function perfectly for a decade more – such as wound care bandages and wraps etc. A big thank you goes to Sue Gee and Eleanor Frohning for sorting through and organizing an incredible first aid disaster supply.

We are thankful for the continued support of our Board and Board Liason as we continue our chartered EP plans and educating our community on disaster preparedness. If you are interested in volunteering for one of our EP teams, please contact us.

Respectfully submitted by:

Thad Bickling EP Committee Chair  
[tbickling@gmail.com](mailto:tbickling@gmail.com) 360-531-2421

Cassie Reeves EP Committee Co-Chair  
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## ENVIRONMENTAL COMMITTEE ANNUAL REPORT

Set up a Whale Notification system with Terri in the office. When notified by members, she will send out an email blast to members who are on the Cape George email list.

We had a Halloween dinner at the Clubhouse to raise money for the Environmental Committee.

We wrote an article asking boaters to not get close to whales when they are in the bay and to notify the State Wildlife people if boats harass the whales by speeding or approaching them too closely.

We researched the state regulations on eagles and their trees and what should be done to protect these trees and notified members about the regulations.

Sue Dunning provided an umbrella stand for holding walking sticks at the beach gazebo and labeled it for members to use on the beach to provide better balance. She asked that members return the walking sticks to the container for others to use.

We sent a notice to the Board to ask that they try to save as many trees as possible. Windowing and selective removal allows for views without removing trees

We presented 6 nature films for the community throughout the year. Lorna and Darryll Smith, our wonderful naturalists, were the organizers and presenters.

We had one presentation on large predators of the northwest. This was also done by Darryll and Lorna Smith.

We had 10 work parties where we weeded, removed poison hemlock, removed Scotch Broom, polished the brass bell at the Clubhouse, and prepared common areas for use.

We took part in Beach survey on Cape George beach to see what sea life is there and how it is surviving. This was under the auspices of the Protection Island Aquatic Reserve

We had a speaker on Rain Gardens, Bob Simmons, of the Jefferson County Marine Resources Committee, come to explain Rain Gardens. He has since come back to suggest an area above Memorial Park that would make an excellent rain garden to protect our bay from chemical run-off.

We purchased new plants to fill in the bare areas of Memorial Park for Kyanne Anderson.

We updated our Volunteer List of members who adopt Cape George common areas and maintain them.

Carol Schlecht obtained folders from the state on orca-safe practices for crabbers in Cape George. Large numbers of crabs die when traps are lost on the bottom of the bay.

We sponsored a study of the trash found on the Cape George beach

Varn organized a Bird Count at Cape George to identify birds that come to our area.

We did a Marine Insect Survey under Tristan Carette-Myers, of Evergreen State College.

We had a presentation on Noxious Weeds in our area

We had a presentation on saving an Old Growth Timber area near Becket Point.

Varn gave a presentation on native birds.

We presented a Beach Walk of Cape George Beach at the lowest tide of the year, led by the Marine Science Center scientists.

We wrote articles for the newsletter on the following topics:

- Community Volunteering

- Road Cleanup

- Rain Gardens

- Beach Walking Sticks

- Baby seals, deer, and rabbits and how to behave toward them

- Whale Watching Behavior

- Several articles on Noxious Weeds

2018-2019 Fitness Committee Annual Report  
Cape George Colony Club

We continue to move forward and make improvements. A major change has been that Phyllis Ballough has stepped down as fitness committee chair and Bill Sery has taken over in that capacity. We thank Phyllis for her 14 years of service. The fitness room would not be what it is today without her efforts.

Members continue to support the fitness room through fund raising and volunteering with maintenance and cleaning. We have added a new Landice 8 treadmill and made significant upgrades to the ellipticals, our Body Solid and exercise bikes. We have had trouble with the treadmills, but we got them back on line with the help of Mercury Fitness in Kenmore. We also changed the wiring configuration on the treadmill to avoid circuit overloads. With the help of Pat Rooney, our manager we are looking into having a maintenance contract since it is becoming harder to perform maintenance on our own equipment.

We have experienced some problems with people not following the rules and inappropriate behavior by a couple individuals. With the help of Pat Rooney and the Board Chairman, Katie Habegger, we are working on ways to deal with these situations. Basically behavior that negatively affects other gym members will not be tolerated.

The fitness room is a valuable asset to our community which allows us to maintain quality of life through physical fitness. We currently experience a high use rate, but we could always accommodate some more, so come on down! We have people who would be happy to help you get started.

Bill Sery  
Fitness Chair

## **Cape George Marina 2018-19 Annual Report**

The Marina has had an unusually busy and productive year, undertaking several major improvements and preparing for others.

As always, most of that work has been accomplished with volunteer labor – untold hundreds of hours donated by marina committee members and neighbors at their usual Tuesday morning workdays.

However, two major projects in the past year involved paid contractors:

The first was replacement of the electrical system on the docks. The previous wiring was aging and was contributing to electrolysis problems. The contractor replaced all the existing wiring and added new, modern pedestals that include lighting and plumbing fixtures. That project was completed in the spring. While it was done by professional electricians, extensive preparations and other work were achieved by volunteers.

The other paid project was the grading and gravelling of the marina road and south parking lot.

Other projects included:

Installation of new fresh water plumbing on all docks, all achieved with volunteers.

Installation and upgrading of oil spill response booms and other equipment at both ends of the marina, along with a spill response plan.

Construction of a concrete walkway around the back of the pool to the Fitness Room.

Visits to other marinas in the region to view various dock systems in anticipation of a major dock replacement project expected at some point in the future.



CAPE GEORGE COLONY CLUB  
ROADS COMMITTEE ANNUAL REPORT  
July 2018 – June 2019

Members: Sharon Mitchel/Patrick Rooney – Manager; Ray Pierson – Board Liaison; Larry Southwick – Chair; members Scott James and Robert Holtz

The purpose of the Committee is to: review and advise the Board regarding all roads and drainage 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 2018 – 2019 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 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

As usual each fall, we contracted for several small pavement repairs 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. We've paved the inside corners at a number of intersections where the traffic drives over the inside edge of the pavement. We are seeing a couple areas in the Village that will need similar repairs in the future but over a longer section of roadway with related higher costs.

We also included request for bids to pave the north end of the parking lot at the Clubhouse/waterfront park and at the parking area for the water facilities in Highlands. Both bids were around \$15,000 and were not awarded but should be budgeted in the future. If we don't need to spend the 2019 budget for repairs, we recommend that money be carried forward to 2020 and added to that budget in order to pave the parking lot at the Clubhouse. The parking lot at the water facilities would be paid for with Water funds and can also be budgeted in the future.

We also requested bids for 'crack sealing' where cracks in the pavement are cleaned and liquid asphalt poured in to seal them to prevent water intrusion from causing further damage. The contractor from Port Angeles was only partially responsive and we haven't been able to get them to do the work. We need to continue to try to get them here to do the crack sealing.

Similarly, the same contractor does street sweeping and we asked for prices to sweep several areas where we have over-hanging trees with leaves and moss on the pavement. They gave us some pricing but again, we haven't been able to get them back to do it.

### Speed Bumps

We have several speed bumps in the Colony and Village but don't generally recommend them. The Board requested a new speed bump at the bottom of Marina Drive just up from the parking lot because of pedestrians and pets in that area. We included a bid for a permanent asphalt speed bump with the pavement repairs but the Board decided to install a less expensive and removable rubber speed bump, which was purchased and installed. After a lot of complaints, that was removed in December.

### Vegetation Issues

Periodically we inspect roadside vegetation that blocks sight lines at intersections or is growing over the pavement and need to be trimmed.

### Drainage Issues

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

CAPE GEORGE COLONY CLUB  
WATER ADVISORY COMMITTEE ANNUAL REPORT  
July 2018 – June 2019

Members: Sharon Mitchel - former CG Manager (part year); Patrick Rooney - current CG Manager (part year); Karen Krug - Board Liaison; Greg Rae - former Water System Manager (part year); Steve Wright - current Water System Manager (part year); Larry Southwick - former Chair (part year); Marty Gilmore - current Chair (part year); 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 the Office. Meeting reports are provided to the Board after each meeting.

Cape George currently has 529 billed water connections, an increase of 5 during the year. Three more connections are pending approved building permits. We have 10 additional unbilled connections that belong to Cape George and four new connections that are not yet being billed.

The main items of Committee business for the July 2018 – June 2019 year were as follows:

OPERATIONS

1. We drafted a revision to rule CP08 – Water System, to ensure 24-hour unrestricted access to all water meters for operational and emergency purposes. The revised rule was adopted by the Board in January 2019.
2. We reviewed fire risk at the tank farm with Cape George members and with the Chief of East Jefferson Fire and Rescue. The most urgent risk issue is on the north side where several alders overhang the fence and one of the pump houses; these trees will be removed. Additional work includes continued clearing of the perimeter outside the fence. The Cape George Manager is determining the tank farm property line on the west side to ensure adequate access for maintenance clearance. Future consideration will be given to adding fire-resistant siding to the most critical buildings, the filter house and the generator house.
3. The automatic chlorine injector failed, and was rebuilt. During the brief failure period manganese levels increased causing water discoloration and requiring the water mains to be flushed. The injector had been working continuously since it was rebuilt, and discoloration has not recurred.
4. After each water meter reading cycle, Stew reviews the ‘leak report’ and contacts residents that are shown to have a water leak so they can be repaired. That helps the owner to reduce any water overage costs and is an important part of our water use efficiency efforts as required by the Dept. of Health. This individual contact is in addition to the reminder postcards sent by the office to notify residents that they have exceeded their monthly allowance.
5. We’ve added a program to have a summer temp employee exercise all water system valves, again to assure that they can all be readily located and operated as necessary.
6. We have had occasional low water pressure complaints from a resident on Cole Avenue. The entire upper portion of the Highlands is supplied by a pump station that operates on demand. We are planning to add variable speed pump drives for the Highlands pumps; these drives will save energy and will help ensure constant pressure in the Highlands. We are still studying the Cole Avenue problem and are not sure at this time whether the issue is caused by the Cape George system or by the homeowner’s piping.
7. We are obtaining quotes to add “soft start” to the Well 6 pump. The pumps for Wells 4 and 8 already have soft starts.

8. The tank level controls have failed on a few occasions, allowing the pumps to continue to run and causing the tanks to overflow. This requires manual intervention, and this sometimes occurs as a result of an automatic phone call at night. We are developing a work scope and obtaining quotes to replace the tank floats and/or tank switches as needed.
9. The Readcenter meter reading software and handheld water meter reader will no longer be supported by the manufacturer after the middle of 2019. We have a quote to upgrade the software and the reader for \$14,900. This cost is not currently in the budget, and we are exploring options that use Windows 10 rather than proprietary software.

## WATER QUALITY

1. 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 annual test results. 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 water quality.
2. We also have to prepare and submit a Water Use Efficiency Report which is required by DOH and was also mailed to all members.
3. We conduct an annual cross connection control testing program for all backflow assembly valves on individual connections, primarily for irrigation systems, boiler systems and some water quality systems. The tests must be conducted by independent, certified contractors (typically plumbers) at the owners' expense and results reported to the office. All required backflow tests were conducted.

## BUDGET AND RESERVES

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

## WATER MANAGEMENT

1. Greg Rae was the licensed Water Manager until late in 2018. The current Water Manager is Steve Wright and he oversees the technical and health-related water system operations. Steve has announced that he does not wish to continue as Water Manager after his contract ends later in 2019, so a search has started for the next Water Manager.
2. The day-to-day operations of the water system such as operation of the pumps, tanks and filter treatment system, meter reading, leak repairs and new connections are performed by the Manager (Patrick) and staff (Donnie). Emergency coverage is provided 24/7 as needed.
3. Larry Southwick resigned as Chair of the Water Advisory Committee after 10 years and the Board appointed Marty Gilmore to the Chair position.
4. We may need to consider hiring an engineering firm/contractor in the foreseeable future for water issues, in anticipation of the required update to the Water System Plan.

This is the Welcome Committee Report.

June 17, 2019

Since January 3, 2017, 46 new residents have been “Welcomed” to Cape George. Carol Chandler is the sole member of the Welcome Committee. The process that is followed to welcome new members is as follows. Upon receiving a list of new residents from Terri in the office, a call is made if possible to the new residents, and a packet of information is dropped off at the new resident’s home. The packet consists of a booklet called “Hot Topics for the Cape George Colony Club HOA” and a \$10 gift certificate for Quimper Mercantile and Carol’s business card. An attempt is made to meet the new resident personally but if they are not home, the packet is left at the door. Please let me know if you have questions.

Carol Chandler

## CAPE GEORGE SOCIAL CLUB Annual Report July 2019

This has been a great year for the Social Club. With so many new residents, we have enjoyed the usual potluck BBQs and the annual Band on the Beach in July which we sponsored with funds from Granny's Attic. Granny's Attic brought in a whopping \$3,314 which should go a long ways toward new picnic tables or for whatever use we decide.

We have made an effort to reduce the amount of plastic use in clubhouse functions this year, which include potluck dinners, soup supper, and other events by the various committees. With a little extra work, we can make a difference!

Cape George University continues to be well attended with a wide range of topics. The Soup Supper is still very popular with members.

The Art Wall, under the supervision of Shelley Fye, continues to be a delight to everyone. We were not only able to help sponsor the intriguing exhibits, but helped to host an Art Reception, a Christmas Art Workshop and a Spring Art Workshop! Many thanks to Shelley for her tireless work on this project.

We provided the money necessary to purchase 8x10 picture frames so that other groups could be represented in the clubhouse as well. Check out pictures of your friends and neighbors and hopefully join in on the fun.

With all the renewed interest in Cape George it has become apparent that we are in need of more picnic tables for everyone who wants to attend our outdoor functions. The Social Club purchased a new PVC picnic table that will last for many years to come. It debuted at the Memorial Day BBQ and received many favorable reviews, so we've since purchased two more which should be available for the Salmon BBQ. If they work out, we could purchase more from Granny's Attic funds.

We are looking forward to the year ahead and doing more for the community. We would like to thank those active members for their continuing support and encourage our new and old residents to get involved and attend the bi-annual Social Club meetings. We discuss and vote on new ideas and expenditures at these meetings, so if you want your voice or your new idea to count, please come. We generally host the meetings in April and September!