

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JANUARY 12, 2012
7:00 PM

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

Welcome & Comments – Richard Hilfer, President

Welcome

Special Assessment

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

Action on Minutes: Carol Wood moved, Mike Smith seconded to approve the minutes of the Special Membership Meeting of December 13, 2011. Passed 5/0.

Carol Wood moved, Mike Smith seconded to approve the minutes of the Regular Board Meeting of December 15, 2011. Passed 5/0.

Membership Report: Carol Wood

No New Members

Treasurer's Report: John Hanks

As of December 31, 2011, the Checking Account total was \$101,413.57. There are a total of 3 CD Accounts totaling \$303,469.93, and 1 Money Market Account totaling \$131,598.60, and 2 Petty Cash Funds totaling \$600.00 for a total of \$537,082.10 in cash and investments. **Accounts Receivables: As of December 31, 2011**, Accounts Receivables totaled \$9,402.28. There is 1 account over 30 days (3 on payment schedule), 2 accounts over 60 days & 17 accounts over 90 days past due. **Summary of Expense and Income Statement Review: As of December 31, 2011**, General Operations is \$5,047.69 under budget; Water Operations is \$17,838.94 under budget; and Marina Operations is \$4,772.47 under budget.

Manager's Report: Art Burke

During the 2012 budget planning process we received notification from our employee health insurance provider estimating an increase of approximately 17% in fees. The 2012 budget only allowed for a 10% increase. While working with the insurance provider on renewing our policy we learned that rates would only be going up 9.7%, allowing us to maintain the same coverage and stay within budget.

Over the past few weeks we have had several incidence of mischief in the pool including, doors being propped open, after hours activity, trash being thrown in the pool, deck and changing rooms, unaccompanied minors, etc. I would encourage any member who sees anything out of the ordinary to report this information to the office.

We received a report of two cars racing through the Colony at approximately midnight on 12/21. They caused some minor turf damage, knocked over and took a street sign at the top of Marina Drive. A report with vehicle description was made to the Sheriff's Department.

The Fitness Room Committee has been working with General Contractor Dan Richards on moving one of the walls separating the pool from the fitness room. This reconfiguration will add approximately 200 square feet of space to the fitness room. Construction guidelines developed for Phase One of the pool building wall repair will be followed. We are anticipating starting the project in late January and should be completed in 2 weeks. There will be occasional disruptions to access of the pool and fitness room. Every effort will be made to provide advance notice of these closings.

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

- Trash not being contained when placed at the street on collection days in the Colony.

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- Speeding car in the Village.
- Street sign stolen in the Colony.
- Speeding motorcycle in the Village.

Committee Reports: The following committee reports were submitted to the Board of Trustees, ENVIRONMENTAL, FINANCE, MARINA and WATER. These reports are attached to these minutes and incorporated by reference.

New Business Information Items:

Discussions will continue at the next Study Session on the Marina north seawall repair/replacement project.

The Manager has been directed to develop a Hold Harmless Waiver to be used for classes conducted in Cape George facilities. Draft waiver will be circulated for review by Trustees and organization legal counsel.

The Manager was instructed to request Jefferson County Sheriff's Department volunteers place their Radar Trailer in the community - time and locations to be determined.

Discussions will continue at the next Study Session regarding the operation and funding of the Community Shop.

Gail Krentzman, the Chair of the Ad Hoc Committee to research the development of a Pickle Ball Court reported that the committee members had met to discuss the project and also met with the Manager at the proposed site behind the Colony mailboxes. The Trustees directed them to move forward with their plans.

Member Participation

New Business Action Items:

Motion 1: Carol Wood moved, John Hanks seconded to approve a member's request to conduct Tai Chi classes in the Clubhouse that involve a fee on the condition that the majority of the participants must be Cape George members. Passed 5/0

Motion 2: John Hanks moved, Michael Smith seconded to approve the proposed changes to Cape George Rule CP03 "Marina Usage" and CP03a "Marina Registration Form". Passed 5/0

Motion 3: Mike Smith moved, Penny Jensen seconded to consider approving the expenditure of \$47,799.82 for the drilling of a replacement well by Gresham Well Drilling, Inc. and to approve the resolution to transfer 47,799.82 from the Water Reserve account to the General Investment account. Passed 5/0

Motion 4: Penny Jensen moved, Ross Anderson seconded to approve two requests by members for a Due Date Adjustment. Passed 5/0

Open Board Discussion: There was discussion about the Marina Seawall project & the numerous emails that have been received by Board members.

Announcements:

Study Session – February 14, 3:00 PM

Board Meeting – February 16, 7:00 PM

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Adjournment: John Hanks moved, Mike Smith seconded to adjourn the Regular Board Meeting at 8:05 pm.
Passed 5/0

Submitted by:

Carol Wood, Secretary

Approved by:

Richard Hilfer, President

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COMMITTEE REPORTS RECEIVED BY BOARD OF TRUSTEES

Environmental Committee:

- A. Opening Remarks – Robin Scherting volunteered to serve as secretary for January meeting. It was decided that each month someone would volunteer to serve as secretary until a full time secretary has been found. Pat Hartman would like to be included on the e-mail list.
- B. Approval of November minutes - Minutes were approved with the following change: The decision has not been made as to which CG committee will assume the responsibility for compiling the 2013 calendar to be used for fund raising. The Environmental Committee would like to have more time to determine whether or not they want to take this on as a fundraiser.
- C. Budget Report – As of January 9, 2012 we have \$166.26 that is not obligated.
- D. Old Business –
 - 1. Road Clean-up Report – Ron Niccoli coordinated the road clean up project with help from several other CG members. Ron suggested that road clean up on Cape George Road be done at least twice a year but is not available for the second clean up. Bernie Del Valle volunteered to coordinate the next clean up.
 - 2. Colony Mailboxes Clean-up Report – Steve Shapiro spent two full days doing maintenance and clean up in the area surrounding the Colony Mailboxes. Ann will send a thank you note to Steve.
 - 3. Memorial Park Report – Kyanne Anderson reported that after the last environmental meeting several members visited the park and determined that they would end the path, close off the sprinkling system and let that area return to its native habitat. Kyanne, her husband Roger and their family transferred the rocks that had been removed (with help from Donnie) to the area by the Memorial Plaque.
 - 4. Fund Raisers – On (Sunday) February 12, a Supreme Potato Feed with all the trimmings will be hosted by the Environmental Committee to celebrate the 94th birthday of our long time member, Amy Brandon, Valentine's Day, and Lincoln's Birthday and to raise funds for the Environmental Committee for purchase of plants and other environmental supplies. A Secret Garden Tour of Cape George Gardens will be considered as a fundraiser in the spring or summer.
 - 5. Programs - Robin Scherting will check with the person (The Garden of Eden) who uses wood chips for mulch to see if will come for a presentation. Ann Candiotto and Kyanne Anderson will research the possibility of a presentation on year round gardening techniques.
- E. New Business – The lawn at the north end of the club house is beginning to show wear and tear with holes that may be caused from large dogs' digging; there are several dead trees along the Fred Evans Trail that should be removed; spraying for weeds in the common areas needs to be put on the maintenance schedule; Art will check on all of these items. A crabapple tree by the Colony mail boxes needs to be pruned; we may have this done by T&C Tree Service if we have the funds. The meeting was adjourned.

Finance Committee:

Finance Committee held its regular monthly meeting on Monday, December 19, 2011, 9:30am at the Clubhouse. Present were B. Barnhart, J. Harrington, K. Krug and J. Hanks, Treasurer. The items discussed included:

- 1. Updates
 - a. Finance related topics from December Board actions were outlined and included:
 - i. Results of the membership votes on routine budget and the special assessment

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- b. A Board member had requested FINCOM assistance in designing financial information. Since the Board member was unable to attend the meeting the request was tabled pending further information.
- c. Clarification was provided relating to Washington RCW regarding budget votes. Per RCW, a majority of “members in the association” are required to defeat a budget recommended by the Board. Note that RCW is “in the association” not members voting.
 - i. CGCC current by-laws may need to be modified as they omit the “of the association” language contained in statute and could be confusing.
- d. There were discussion concerning the nature of the Special Marina assessment and how it should be recorded.
 - i. It was mentioned that any cash received prior to year end might be “held” until 2012. It was quickly pointed out this was poor internal control and dangerous. Receipts needed to be deposited as soon as practical, i.e. at least several times per week.
- e. Signatories on depository accounts were also mentioned. The Committee learned that in the past changes to these cards were not always as comprehensive as they should have been with some individuals listed as signatories after they left Board or management positions. It was stated that a thorough review of this would occur early in 2012. It was suggested that a review of signers be added to the annual required Board reviews (FIN08).
- f. The Committee also learned that a problem with an annual corporation filing with the WA Secretary of State had resulted in temporary inactivation of the Corporation’s status. The problem occurred in the State offices and has been corrected. It was suggested that in the future such occurrences be disclosed in public meetings.

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

- (I) Depreciation schedule – correction of multiple defects
- (II) Modifications to FIN03 – Collection practices
- (III) Modification to FIN02 and FIN04 – changes resulting from new RCW for HOA reserves

Marina Committee:

Charlie Boulay called the meeting to order at 11 am. Present were Jack Scherting, Paul Happel, John Hanks, Penny Jensen, Ross Anderson, Richard Hilfer, Tony Petrillo and Art Burke.

Shop Repair: The committee discussed plans to gradually rebuild the shop building, which suffers from serious deterioration. Charlie explained that the job will require a moderate amount from the Cape George budget – in the vicinity of \$1,000 to \$2,000 a year over a period of time. However, no money has been included in the 2012 budget. This was followed by a brief discussion of whether the shop falls under the purview of the marina, or of the community at large. The matter was referred to the board study session for further discussion.

Marina Day: Charlie discussed the possibility of combining the Marina Day with the marina committee party and other annual events. No decision was made.

Seawall: Charlie brought the committee up to date on plans to repair or replace the badly deteriorated seawall. Proposals are pending from two engineering companies. Tony Petrillo, a Cape George member and a marine surveyor, had been asked to sit in on the meeting. He briefed the committee on his experience and recommended that the committee meet with Coast and Harbor Engineering of Edmonds. (That meeting has been scheduled.)

This was followed by a discussion of several options related to the seawall project, including the possibility of contracting for a project manager to oversee the project.

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Charlie reported that he and the long range planning committee are waiting for more direction from the two engineering companies that have looked at the project. No decision was reached.

The meeting was adjourned at 12:15 pm.

Water Committee:

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

New Well 8 is very successful and the 24 hour pump test has been completed. Per the Manager's Dec 2 email, "We had originally hoped to have a well that produced 185 gallons per minute. Chad said that the well would be rated at 205 gallons per minute. During the entire 24 hour period that the well was pumped, the water level fluctuated only a few inches and the recovery rate was only a few seconds." Gresham installed the new pump today. Now we need to get the final report from Gresham, run it by Bob Leach of NTI, and then submit a project report to the Dept. of Health. After getting DOH approval, Greg and Donnie will plumb it into the system and have Double D Electrical wire it. Then we'll pour a concrete slab and have a pre-fab shed put in place for the pump house.

Well 5 will be disconnected from the system but we intend to keep it available for emergency backup. If not, we would have to decommission it. It's a good well, just not enough capacity for our future needs. We discussed whether to have the pump removed or leave it in place. If we remove it, we would have to have it re-installed if we ever need to use it, paying twice. If we leave it in place, it will need to be wired so we can exercise it on a regular basis to keep it operational. If we need it in an emergency, it would still have to be re-commissioned, tested and approved before it can be reconnected to the plumbing and disconnect either Well 6 or 8. New Well 8 will be replacing Well 5 in our 'water rights' and we can't operate both at the same time.

Well 7, the recent 'dry hole' has been decommissioned per Dept. of Ecology requirements.

Ed has completed the draft of the WSP and sent it to Bob Leach of NTI to finish and submit it to the Dept. of Health. The remaining work is mostly completing and assembling all the attachments.

Stew provided data from the water meter reading software that shows we have around 25% of our connections with low or zero volume, due to vacancies or part time use. Normally we figure our average consumption by dividing the total volume by the total number of connections. That includes all of the 'zero' volumes which doesn't reflect the actual average use per connection. We won't add that information to the WSP but will use it in our negotiations with the Dept. of Ecology to justify our higher figure for water rights.

The current median water volume which is the point where half are higher and half are lower is 70 gallons per connection per day.

Stew continues to work on the water leak report from the meter reading data. He has addressed all of the larger volume leaks and is now working on the smaller ones.

The settlement agreement with the Dept. of Ecology regarding our water rights appeal has been completed. No new information from Bill Clarke at this time but we'll need to meet with him soon to develop our approach to negotiations with DOE. We need to push this process because we have to complete it in 2012 per the settlement agreement. That could be problematic with the current cut backs in state government and the backlog of water right applications.

The Board has hired a consulting firm to conduct formal reserve studies for the community as now required by law. They have completed a study for the general facilities and are now working on the water system reserves. Larry and Greg have provided some comments but we now need to sit down with Art and complete a thorough review. It includes all water facilities at the well/tank farm but not the water piping systems. When finalized and adopted by the Board, that will drive the annual deposit in our water reserve account which may affect water rates. It basically lists all facilities, their original costs, the anticipated life in years and the ultimate replacement costs,

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using those figures to arrive at an annual reserve payment for each facility. The result is an on-going, pre-paid replacement as facilities deteriorate or break down.

There have been a few recent water shutoffs due to non-payment, most are not occupied. We've had a few foreclosures and 'walk-aways' in Cape George but not as bad as some other communities and condos.

The next meeting will be on January 3, 2011 at 5 pm at the Office.

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

Welcome & Comments – Richard Hilfer, President

Welcome

Marina north seawall repair project comment

Gary Rossow has resigned as chair of the Marina Long Range Planning committee but will remain as an active member.

Charlie Boulay has resigned as Harbormaster effective immediately.

There will be an Executive Session immediately following the Board Meeting to discuss personnel issues and potential member rule violation

In Attendance: Richard Hilfer, Carol Wood, Ross Anderson, Penny Jensen, John Hanks, Mike Smith, Robin Scherting

Action on Minutes: Carol Wood moved, John Hanks seconded to approve the minutes of the Regular Board Meeting of January 12, 2012. Passed 6/0.

Membership Report: Carol Wood

Ken & Laurie Owen

210 N. Palmer Drive

Darrell & Lorna Smith

141 Maple Drive

Treasurer's Report: John Hanks

As of January 31, 2012 the Checking Account total was \$184,264.35. There are a total of 4 CD Accounts totaling \$356,539.33, and 1 Money Market Account totaling \$78,529.20, and 2 Petty Cash Funds totaling \$600.00 for a total of \$619,932.88 in cash and investments. **Accounts Receivables:** **As of January 31, 2012** Accounts Receivables are currently being re-evaluated. **Summary of Expense and Income Statement Review:** **As of January 31, 2012** General Operations is \$901.98 under budget; Water Operations is \$2,719.59 under budget; and Marina Operations is \$5,916.94 over budget due to document changes causing due date shift..

Manager's Report: Art Burke

The final version of the updated Water System Plan has been completed and forwarded onto the State Department of Health for their review and comment. A special thanks to Ed Skowyra for all of his work on writing large parts of this document and coordinating the efforts of the Water Committee members to put this together.

Late in January we learned that we had been randomly selected to be audited by the Department of Labor and Industry. Although not as scary as being audited by the IRS, we spent several hours assembling documents identified on their checklist. The preliminary report from the audit was very favorable. A final report will be provided in the future.

Preventative maintenance was conducted on the boilers and heat pumps at the pool and clubhouse areas. A problem was discovered with one of the boilers and repaired. The other equipment only required normal maintenance. All of this equipment is on an annual maintenance schedule by HVAC service professionals.

We've received a number of comments and reports that the tile floor in the pool changing room is at times slippery. We have taken steps to address this problem and the results so far have been very positive.

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The Fitness Room wall relocation project is well underway and overall running very smoothly. At this point the new wall has been framed in and sheathed on one side, the old wall removed, an emergency door installed, electrical service relocated and new light fixtures installed.

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

- A broken hose bib on an unoccupied residence was reported in the Village.
- An unattended brush fire was reported in the Colony.
- Trees being cut in the Highlands without a permit.
- Trees being cut in the Colony without a permit.

Committee Reports: The following committee reports were submitted to the Board of Trustees, BUILDING, POOL, FINANCE, and WATER. These reports are attached to these minutes and incorporated by reference.

New Business Information Items:

During the February 14th Study Session, Tony Petrillo of Blue Water Engineering was introduced and asked a number of questions regarding his experience and qualifications as a project manager for the Marina north seawall repair project.

During the February 16th Board meeting, Myron "Tike" Hillman of MW Hillman Consulting was introduced and asked a series of questions regarding his experience and qualifications as a project manager for the Marina north seawall repair project.

Finance Committee recommendations related to the Marina north seawall repair project will be discussed at the March Study Session.

The Trustees recommended that the Fitness Committee proposed changes to rule CP05 Exercise Room be published in the next newsletter for member input.

The agenda item dealing with Community Shop funding and improvement project was moved to the March Study Session.

The Trustees directed the Manager to develop a method of providing non-confidential Board packet materials to the membership prior to each month's Study Session.

The Trustees asked that Norma Lupkes and Barbara Barnhart work with Gail Krentzman on the potential of adding a shuffleboard court and bocce ball court to the planned Pickleball court.

The agenda item dealing with how member letters are presented during Study Sessions was moved to the March Study Session.

Member Participation

New Business Action Items:

Motion 1: Penny Jensen moved, Ross Anderson seconded to accept the new **Marina Seawall Task Force** members as presented to the Board. Passed 6/0

These members are as follows: Bruce Candioto, Paul Happel, Gary Rossow, Ben Fellows, Mike Heckinger, John Hanks, and Dick Poole.

Motion 2: Carol Wood moved, Robin Scherting seconded to approve the Finance Committee's recommendation that all accounting transactions associated with the Marina North Seawall Repair project be maintained separately from other accounts. Passed 6/0

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Motion 3: Carol Wood moved, Mike Smith seconded to approve the Finance Committee's recommendation that the entire Marina North Seawall special assessment be booked as a receivable effective January 1, 2012. Passed 6/0

Motion 4: Carol Wood moved, Penny Jensen seconded to approve the Finance Committee's recommendation that late fees be assigned to any member account if the Marina North Seawall special assessment installments are not paid when due. Passed 6/0

Motion 5: Mike Smith moved, Robin Scherting seconded to approve the quotation from LiquiVision Technology Diving Services for the maintenance cleaning of the tank farm's four water reservoirs at a cost not to exceed \$3,400.00. Passed 6/0

Motion 6: Robin Scherting moved, Penny Jensen seconded to approve the 2012 summer proposed blackout dates for the Clubhouse. Passed 6/0

Motion 7: Mike Smith moved, John Hanks seconded to approve the proposed scope of service contract as submitted from attorney, Bill Clarke, to represent the community on negotiations with the Washington State Dept. of Ecology on water rights, not to exceed \$8,160.00. Passed 6/0

Motion 8: Penny Jensen moved, John Hanks seconded to approve five requests by members for a Due Date Adjustment. Passed 6/0

Open Board Discussion:

Announcements:

Study Session – February 14, 3:00 PM

Board Meeting – February 16, 7:00 PM

Motion 9: Robin Scherting moved, Carol Wood seconded to adjourn to an Executive session to discuss personnel issues and a possible member rule violation at 8:25 pm. Passed 6/0

Discussions at the Executive Session are confidential

Motion 10: John Hanks moved, Mike Smith seconded to reconvene the Regular Board Meeting. Passed 6/0

Adjournment: Mike Smith moved, John Hanks seconded to adjourn the Board Meeting at 9:00 pm. Passed 6/0

Submitted by:

Carol Wood, Secretary

Approved by:

Richard Hilfer, President

COMMITTEE REPORTS RECEIVED BY BOARD OF TRUSTEES

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Building Committee:

Building applications:

2-1-12 CATHERINE SIMMONS – 200 N. Rhododendron – Colony – build a shed

Other:

1-10-12 Inspected height of house at 444 Sunset Blvd, 16'3"

Meeting:

Attended by Bob Frenett, Ann Simpson, and Manager Art Burke. Discussed the Checklist For Previewing Build Packets. It is now ready to use and each committee member will use it as a guide.

Environmental Committee:

A. Opening Remarks: The meeting was held at the home of Phyllis Ballough. It was a small meeting as members Kayanne Andersen and Kitty Rucker are both traveling and Gretchen Cooper had a schedule conflict. Present were: Phyllis Ballough, Amy Brandon, Pat Hartman, Betty Hanks, Art Burke and Ann Candioto.

B. Approval of Minutes: approved

C. Budget Report: We have \$1566.26 in our account, with \$1400 of that obligated for community equipment needed in the future.

D. Old Business:

1. We discussed the spray program for this year for Poison Hemlock and pre-emergent herbicide. Art has received the Proposal from T&C Tree Service for the same services and cost as last year.

2. We discussed the postponement of the Potato Dinner: when Robin was unable to continue it left only three volunteers and we determined that to be too few for such a dinner. We have often had six or seven for a Pancake Breakfast and need to plan better next time.

3. We talked about two possible programs for Spring: Eve Dixon, County Agent, on Noxious Weeds and Mac McDonald on Septic Tank Care. Eve has been called and is available and interested. Mac has recently attended a Workshop on updated Septic Practices, felt he learned a lot and willing to share that information. Ann will look into Saturday morning dates for the Clubhouse and we will have a muffin and coffee format at 9:30AM for either or both of these presentations.

E. New Business: We discussed the great loss of the log buffer along our Clubhouse Beach this winter and the incursion of the tide well into the grassy area. We see this as a serious erosion problem. Art is aware of it and has been working with Marina workers and Donny to move floaters from the Marina to the beach. We need to make an educational effort, via the newsletter, to the community about the overall plan for this project. Ann will call Bill McFarland and John Hanks about information for the news letter.

F. Adjournment: we adjourned for Red Velvet Cake and Coffee in honor of our Founder, Amy Brandon, on her 94th birthday.

Finance Committee:

Finance Committee held its regular monthly meeting on Monday, January 16 2012, 9:30am at the Clubhouse. Present were B. Barnhart, J. Harrington, K. Krug as well as J. Hanks, Treasurer and A. Burke, Manager. All agenda items were suspended in favor of continuation of December's discussion of the procedural and/or policy issues related to the Marina project and corresponding special assessment.

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Updates - Agenda item suspended

December 2011 financials (First Run statements are preliminary & pre-audit) – Agenda item suspended pending second pre-audit year end statements.

First read – update to FIN03, Delinquent Accounts and Collections - Agenda item suspended for one month however there were positive comments regarding thoroughness and detailed of the first draft of the policy. Second read scheduled for a working session in late January or early February.

Other business

Anticipated delivery date for new Reserve study – Agenda item suspended

Procedural and/or policy issues – Marina project and associated special assessment

This was a continuation from the discussions at the December meeting. A handout of potential items, most of which are procedural in nature, was distributed and each item was discussed – some more vigorously than others.

Members in attendance reached consensus recommendations for listed the items. Those recommendations will be provided to the Board for their consideration and possible action.

It was felt that it would be better to resolve these issues and questions now in order to prevent misunderstandings at some future date.

That listing is attached to these Notes.

The meeting was adjourned. The February meeting will be cancelled or rescheduled since no member will be available on the third Monday in February.

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

(I) Depreciation schedule – correction of multiple defects

(II) Modification to FIN02 and FIN04 – changes resulting from new RCW for HOA reserves

Pool Committee:

Attendees: Art Burke, Rocky D'Aquisto, Norma Lupkes, Robin Scherting, Bruce Candioto, James Fling

The issue of pool users opening the small upper windows on the south side of the pool room and leaving them open has again surfaced. Rocky has found them open and has closed them several times. It is important that these windows remain closed to retain the integrity of the air volume, Art will work with Donnie to find a solution to keep them permanently closed.

Pool vandalism has once again been observed with liquor bottles and beer cans left in the pool area and in one instance cigarette butts were found in the pool. Rocky has been checking the area on week-ends and late nights after his exercise session. He also contacted the local Sheriffs Dept to make a periodic drive through of the area;

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he will check with them for any results from the last couple of months. The main concern of this pool partying is the "liability" issue. Bruce suggested that one consideration might be offering an RV spot for onsite security in the marina/pool area. Art feels that CG residents might not be ready for this action at this time but it is an option down the road.

The pool dressing/shower rooms have now been tiled with final finishing touches yet to be completed. An individual had a slip and fall on the new tile and Art has investigated a product which creates texture on ceramic tile and will not hamper cleaning. The product has been purchased for \$75 for both rooms and will be applied in the next couple of days.

Jim reported that the "pool duct work and heat exchanger" project which was budgeted for \$10,000 is now ready to resurface with the completion of the moving of the wall in the exercise room into the pool area. This project should be underway within the next week. The volume of space in the new exercise room space will be measured to determine the space now involved in the pool project. Jim will contact the contractor to get a revised bid for the duct work project.

Respectfully submitted: Norma Lupkes

Water Committee:

The meeting was held at 5 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water Manager; Larry Southwick, Committee Chair; Committee members Ed Skowyra, Thad Bickling, Scott James, Zane Wyll and Stewart Pugh.

Ed asked Greg if we had completed and filed the annual Water Use Efficiency Report? Greg will check. This relates to the documents that are required for the WSP.

Ed said that a new staff person at Department of Health assigned to our WSP had just sent it back without comment and it took a while for Bob Leach of NTI to find out why. Apparently that person felt we hadn't followed procedure and needed to have a pre-plan meeting which we had in fact held with DOH staff back in 2010. We have to tie down some loose ends and re-submit in next week. Ed is working with Bob on that.

Prior to the meeting, Art sent out a copy of a draft letter from Bill Clarke, our water rights attorney together with a 'Water Resources Program Policy' document from Department of Ecology regarding implementation of water rights under the 2003 Municipal Water Law. Then Bill called in and we all talked with him on the speaker phone. We reviewed his draft letter and strategy with regard to approaching DOE to resolve our water rights on a permanent basis. The Committee agreed with Bill's approach and recommend that the Board approve an extension of his contract to continue his work on the basis as proposed in his letter. Art will take this to the Board for approval. We are headed in the right direction and it is essential that we pursue this to resolution for the future of Cape George.

Bill will talk with DOE and schedule a time for Art (and others) to come down to Olympia to meet with DOE when they deliver the new letter. Ed reminded Bill that DOE needs to provide us with a new permit extension per the settlement agreement and Bill will include that in the conditions for scheduling for the meeting.

Ed told Bill about our WSP being sent back by DOH but that we'll be resubmitting it next week or so. Bill said it's possible that DOE may not even review the water rights section now due to budget cutbacks and staff workload so don't raise any expectations on that account.

Ed asked Bill if he was aware of a draft HB2311 that could affect our water rights situation. Bill was familiar and said that bill had died but another bill that he's working on for the PUD association, SB6152, is still alive and that would have a favorable effect. It would allow our routine 5 year water right extensions without opening them up for DOE to add new conditions as part of the extension process or changing quantities as they did for us that got us into the appeal.

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Well 8 reports have been provided to Bob Leach who will complete the report and add it to the WSP as an addendum. Greg will sketch out a connection as to how he'd like it and provide it to Ed and Bob to include in the report.

Stew continues to work on the leakage reports from the meter reading data and call owners that the report indicates could have leaks. The latest report shows 24 potential leaks, 2 of which were on Club connections. The November average use was 83 gallons per connection per day and the median was 70. 56 connections showed no use at all and over 100 connections had less than 25. Ed talked to Stew about getting the use per active residential connection by excluding the vacant homes and Club connections.

Tank inspection has been contracted and will be scheduled soon when the crew is in the area. They use scuba gear and inspect the tank when it's full of water. They'll also vacuum / clean the tanks and provide a video of the inspection. They can make some repairs if necessary while they are in the tank.

We had budgeted and planned to replace the diesel fuel tank for the generator with a double wall tank so Art had the supplier come out and take a look. On further inspection, he said that we already have a double wall tank so we can put that money to other use. We are getting some corrosion due to the chlorine and that can be resolved by closing in the chlorine room and providing some positive ventilation.

The next meeting will be on March 6, 2012 at 5 pm at the Office.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
MARCH 15, 2012
7:00 PM

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

Welcome & Comments – Richard Hilfer, President

Welcome

There will be an Executive Session immediately following the Board meeting to discuss personnel issues

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

Action on Minutes: Carol Wood moved, John Hanks seconded to approve the minutes of the Regular Board Meeting of February 16, 2012. Passed 5/0.

Membership Report: Carol Wood

Joel & Amy Postma purchased 321 Sunset Blvd. from the Robert Postma Trust

Treasurer's Report: John Hanks

As of February 29, 2012 the Checking Account total was \$134,863.39. There are a total of 4 CD Accounts totaling \$356,539.33, and 1 Money Market Account totaling \$78,602.66, and 2 Petty Cash Funds totaling \$600.00 for a total of \$632,835.90 in cash and investments. **Accounts Receivables: As of February 29, 2012** 21,333.21 There were \$12,487.08 in accounts over 30 past due, \$10.45 in accounts over 60 days past due and \$8,375.68 in accounts over 90 days past due: **Summary of Expense and Income Statement Review: As of February 29, 2012** General Operations is \$4,407.57 under budget; Water Operations is \$280.00 under budget; and Marina Operations is \$921.50 over budget believe to be due to document changes causing due date shift..

Manager's Report: Art Burke

This summer the community's insurance policy will be up for renewal after having operated at a fixed rate for the preceding three years. I've begun to work with the Finance Committee and Trustee Penny Jensen on soliciting competitive proposals from insurance companies that work with homeowners associations.

The 2012 Election Procedure and Calendar will be published in the April newsletter. This year, two trustee positions will be up for election.

We received a request from a member regarding wheelchair accessibility to the Fitness Room. To address the request we will be providing temporary access to the Fitness Room through the emergency door to the pool. I will be working with the Fitness Committee in the future to further evaluate options to provide barrier free access to the Fitness Room.

We have begun the first phase of an evaluation and upgrade of the office computer hardware and software. We've had issues in the past which has impacted our productivity and will be working toward doing what is necessary to improve our system.

Earlier this week we received a report from a member that broken glass was found in the pool. Donnie and I located some of the glass that had been removed from the pool and it appeared to be tempered safety glass. After further investigation it was determined that a diver's mask was likely the cause of the glass being in the pool. The pool was closed and thoroughly vacuumed. In addition the entire deck area was swept and vacuumed. All members are reminded that glass items are not permitted in or around the pool.

CAPE GEORGE COLONY CLUB
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I have received the following Reports/complaints over the past month

- Equipment storage box in the pool area broken into
- Report of trees being cut on the bluff in the Colony
- Property maintenance complaint in the Village
- Derelict vehicle complaint in the Village
- Workshop door had been kicked in

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

New Business Information Items:

The consideration of approving a new Harbormaster will be further discussed at the April Study Session.

The Manager and Board President will draft an article for the April newsletter soliciting interest in members willing to serve on an ad hoc committee to make recommendations on the future operations of the community shop.

Member Participation

New Business Action Items:

Motion 1: John Hanks moved, Carol Wood seconded to hire Myron Hillman of MW Hillman Consulting, at a cost of no more than \$2,000.00, to advise the Board and task force during the initial phases of the Marina north seawall repair project. Passed 5/0

At this point in the meeting Vice-President Robin Scherting joined the meeting by telephone.

Motion 2: Carol Wood moved, Ross Anderson seconded to authorize payment for any and all expenses associated with the North seawall repairs in the following proportionate shares: 75% to be paid from the Special Assessment fund and 25% to be paid from the Marina Reserve, not to exceed \$100,000 from the Marina Reserves, with all costs paid as expenses are incurred.

Motion 3: During discussion of Motion #2, Penny Jensen moved, Mike Smith seconded a subsidiary motion to table Motion #2 until next month. The subsidiary motion failed 3/4

After more discussion, the original motion #2 was passed 4/3.

At this point in the meeting Vice-President Robin Scherting left the meeting.

Motion 4: Mike Smith moved, John Hanks seconded to approve the proposed changes to Cape George rule CP05 "Exercise Room" as published in the March newsletter. Passed 5/0

Motion 5: John Hanks moved, Carol Wood seconded to approve the Management Representation letter as submitted to CPA Joseph Vandal as a part of the 2011 Audit. Passed 5/0

Motion 6: John Hanks moved, Penny Jensen seconded to approve the request of the Emergency Preparedness Committee to allow Tarboo Ridge Extinguishers to sell products and services as a part of an instructional program on fire safety. Passed 5/0

Open Board Discussion:

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
MARCH 15, 2012
7:00 PM

Announcements:

Study Session – April 10, 3:00 PM

Board Meeting – April 12, 7:00 PM

Motion 9: Penny Jensen moved, Mike Smith seconded to adjourn to an Executive session to discuss personnel issues at 8:15 pm. Passed 5/0

Discussions at the Executive Session are confidential

Motion 10: Penny Jensen moved, John Hanks seconded to resume the Regular Board Meeting. Passed 5/0

Motion 11: Ross Anderson moved, Mike Smith seconded to pay full health insurance premium for the Manager. Passed 4/1

Adjournment: Carol Wood moved, Ross Anderson seconded to adjourn the Board Meeting at 8:35 pm. Passed 5/0

Submitted by:

Carol Wood, Secretary

Approved by:

Richard Hilfer, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
MARCH 15, 2012
7:00 PM

COMMITTEE REPORTS RECEIVED BY BOARD OF TRUSTEES

Environmental Committee: A. Opening Remarks: The meeting was held at the home of Phyllis Ballough. It was a small meeting as members Kayanne Andersen and Kitty Rucker are both traveling and Gretchen Cooper had a schedule conflict. Present were: Phyllis Ballough, Amy Brandon, Pat Hartman, Betty Hanks, Art Burke and Ann Candioto.

B. Approval of Minutes: approved

C. Budget Report: We have \$1566.26 in our account, with \$1400 of that obligated for community equipment needed in the future.

D. Old Business:

1. We discussed the spray program for this year for Poison Hemlock and pre-emergent herbicide. Art has received the Proposal from T&C Tree Service for the same services and cost as last year.

2. We discussed the postponement of the Potato Dinner: when Robin was unable to continue it left only three volunteers and we determined that to be too few for such a dinner. We have often had six or seven for a Pancake Breakfast and need to plan better next time.

3. We talked about two possible programs for Spring: Eve Dixon, County Agent, on Noxious Weeds and Mac McDonald on Septic Tank Care. Eve has been called and is available and interested. Mac has recently attended a Workshop on updated Septic Practices; felt he learned a lot and willing to share that information. Ann will look into Saturday morning dates for the Clubhouse and we will have a muffin and coffee format at 9:30AM for either or both of these presentations.

E. New Business: We discussed the great loss of the log buffer along our Clubhouse Beach this winter and the incursion of the tide well into the grassy area. We see this as a serious erosion problem. Art is aware of it and has been working with Marina workers and Donny to move floaters from the Marina to the beach. We need to make an educational effort, via the newsletter, to the community about the overall plan for this project. Ann will call Bill McFarland and John Hanks about information for the news letter.

F. Adjournment:

Marina Committee:

Attendees: Tom Ramsey, Penny Jensen, John Hanks, Paul Happel, Bob Frenette, Dan Sutton and Michael McDonald.

A discussion was held starting at 11:00 am on the funding aspects of the Marina North Sea Wall, the replacement of the spill boom box with a new box, the request in the Cape George News Letter requesting nominations of a Harbor Master and the time period for the annual dredging contract for the marina entrance. The meeting adjourned at 11:30 am.

Pool Committee:

Attendees: Art Burke, Jim Fling, Penny Jensen, Norma Lupkes, Sharon Mitchell, Carolyn Ramey, Lynne Stanko.

Jim Fling updated the committee on the current situation with the pool HVAC/humidity issue. He is working on obtaining a quote from a local vendor for constructing the duct system for dehumidification. A couple of different options are being considered and the final decision will be made after the bid comes in. Finding another vendor to quote on the project has been a challenge but will continue to be pursued.

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The new tile in the dressing rooms/bathrooms has had a product applied which improves the “slipperiness” by etching the surface of the tile. It seems to have made a noticed improvement. The trim around the floors will be completed in the next couple of months.

The Fitness room wall project has been completed and looks great. The work is continuing on the inside of the room to include special carpet tiles yet to be installed.

Sharon Mitchell presented a proposal for the rapidly growing Deep-Water Aerobics class to be held at 9:00 Monday, Wednesday & Friday with appropriate music to perform the movements. Noise has been an issue with the music – Jim made the suggestion that the box fans running 24/7 are very noisy and are not effectively doing what they were installed to do. The decision was made to replace the two noisy fans with “one commercial fan” with louvers installed in the window of the room next to the pool. Art and Jim are looking into how and when to make this happen. Until this is accomplished, the class will meet at 8:30 and turn off the music at 9:00 if requested.

Water Committee:

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

The most recent communication from Bill Clarke is that he is talking with DOE to set a time for meeting to discuss long term water rights, no date yet. Since last meeting, we did receive the regulatory extension to our water right per the recent agreement. This extension is to February 1, 2016.

Ed was not present but had talked to Art saying that Bob Leach of NTI has been in communication with the new engineer at DOH regarding the requirements for the WSP. It seems mostly related to new staff and communications at this point. We will be adding all information related to new Well 8 to the WSP to include in the review process now rather than needing to add it later with separate review and processing.

We will include leaving existing Well 5 in place as a backup but fully disconnected from the water system. Greg suggested we wire it with a transfer switch so it could still be tested periodically but never operated at the same time as Well 8.

Stew reported on his work on the February meter reading cycle producing 24 leak alarms, including a large leak that was found and repaired on the owner’s side of the meter in the Village. He reported that 151 customers showed an average use of less than 30 gallons per day (between meter reads) including vacant and part-time occupancy. Of that 151, 56 showed no use at all.

We discussed the fire at 41 N. Palmer and that it was able to use one of our few fire hydrants so we may be able to get a volume of fire suppression water for the monthly report.

The next meeting will be on April 3, 2012 at 5 pm at the Office.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
APRIL 12, 2012
7:00 PM

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

Welcome & Comments – Richard Hilfer, President

Welcome

Update on Marina Seawall Task Force

Board election nominations are currently open and will close on May 10th

Recognition of Phyllis Ballough and the Fitness Committee for their efforts at raising funds and coordinating the Fitness Room expansion project.

In Attendance: Richard Hilfer, Carol Wood, Ross Anderson, Penny Jensen, John Hanks, Mike Smith, Robin Scherting

Action on Minutes: Carol Wood moved, John Hanks seconded to approve the minutes of the Regular Board Meeting of March 15, 2012 as amended. Passed 6/0.

Membership Report: Carol Wood

William & Constance Decker purchased 91 Cedar Drive & Lot 48 Cedar Drive from the Walter & Linda Jakoubek

Federal National Mortgage Association purchased 11 N. Palmer Drive from Gary & Trely Wolfe

Darla Lacy purchased 140 Pine Drive from Jana Finlay

Treasurer's Report: John Hanks

As of March 31, 2012 the Treasurer's Report has not yet been finalized because of a computer change over.

Manager's Report: Art Burke

We have completed the first phase of an evaluation and upgrade of the office computer hardware and software. One workstation has been replaced and two were upgraded with new hardware and software. The difference in stability of our network is like night and day. There are a few minor updates that are still scheduled to be done. The March financial report will be delayed approximately one week as we verify the transfer of data.

During the latter part of March we had an incident of after hour's use of the swimming pool. Items left behind indicate drinking was involved.

We received notification that a portion of the bluff in the vicinity of the north end of Victoria Loop had collapsed. As a result, a residence in that area has been identified as unsafe for occupancy by Jefferson County Department of Community Development. This will start a process of evaluation to determine the stability of the bank in that area. Once completed, it will be decided whether the home is safe for re-occupancy.

I received a comment from a member regarding a lack of notification of the recent bluff collapse.

On March 20th I made a road trip with our Water Manager and two members of the Water Committee to begin discussions with our attorney, and representatives from the Department of Ecology and the Attorney General's office regarding our water rights. This is the first of what will likely be a series of meetings to come to an agreed upon resolution to our approved acre feet of water rights.

Over the past several weeks, I have been meeting with representatives of the Water Committee, Roads Committee, our staff and Trustees to complete the review of the first draft of our reserve study. The Finance Committee has also conducted a review and provided detailed comment of needed changes. From this analysis, a compilation of work has been forwarded to Reserve Data Analysis for their incorporation into the final draft of the study.

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Sometime during the late night hours of April 4th or the early morning hours of April 5th we had an incident of a vehicle driving on the grassy areas near the entrance to the Colony, at the intersection of Palmer and Cape George Drive and in the Clubhouse area. If anyone has any information related to these events, please contact the office.

On April 11th the interior of the four water storage reservoirs for the community water supply were scrubbed and vacuumed. This is one of the routine maintenance practices that takes place every five years. The company that does this for the community records the work done and provides us with a DVD of each tank. If anyone is interested in seeing the DVD's, they are not what I would call "action packed", but they are interesting.

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

- People in the Clubhouse after hours.
- Report of one of the swimming pool emergency exits being ajar.
- Exterior porch light being left on all night in the Village.
- Report of vandalism at a residence on Huckleberry Place.

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

New Business Information Items:

The Manager was given authority to use his discretion in posting documents related to the marina north seawall repair project on the Cape George website.

The Board President established an Ad Hoc Committee for the purpose of reviewing the operation of the community workshop. Current members of the committee are Brian Ritchie, Tom Ramsey, Ron Niccoli, Scott James and Bill Stull, Jack Scherting and Ken Owen.

Member Participation:

New Business Action Items:

Motion 1: John Hanks moved, Mike Smith seconded to approve the appointment of Mac McDonald to the pro tem position of Harbormaster and Tom Ramsey to the pro tem position of Marina Committee Chair until the Marina Committee charter is finalized. Passed 6/0

Motion 2: Penny Jensen moved, Carol Wood seconded to approve the proposed changes to Cape George rule CP04 "Workshop Use". Passed 6/0

Motion 3: Penny Jensen moved, John Hanks seconded to approve the expenditure of an amount not to exceed \$12,000 for the replacement of Marina floating docks, with funds to come from Marina Reserves. Passed 6/0

Motion 4: Mike Smith moved, Penny Jensen seconded that the Board authorize expenditures of not to exceed \$2,000 for a survey and not to exceed \$6,000 for soil analysis for the North seawall repair project with the funds to come from Marina Reserves and the Special Assessment funds in the proportions previously approved by the Board. Passed 6/0.

Open Board Discussion:

Announcements:

Study Session – May 8, 3:00 PM

Board Meeting – May 10, 7:00 PM

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Adjournment: Robin Scherting moved, John Hanks seconded to adjourn the Board Meeting at 8:00 pm.
Passed 6/0

Submitted by:

Approved by:

Carol Wood, Secretary

Richard Hilfer, President

COMMITTEE REPORTS RECEIVED BY BOARD OF TRUSTEES

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Building Committee:

Building Permits issued: JACK SALMON: 290 Colman Dr. Colony 4-2-12

Construct a shed in their back yard. Job complete 4-7-12

Variance Requested: WEI ZHOU (pronounced way jo) 130 Johnson Highlands

1. Wants to build a two-story home to 26'4".
2. Setbacks dictate small footprint allowing a 900 sq ft house, as per CGCC Rules & Regulations.

4-4-12 Bob, Art and I met with Wei Zhou at 130 Johnson to gain information on her unique situation. We recommended that she apply for two variances.

4-10-12 I met with Linda Germeau & her son, Rick, at her lot on the corner of Ridge & Cedar. They showed me the plot plan which has setbacks that dictate a small footprint for a home and we discussed their future plans for this lot.

Environmental: MEMBERS PRESENT: Phyllis Ballough, Amy Brandon, Art Burke, Ann Candioto, Gretchen Cooper, Betty Hanks, Kitty Rucker

I. Opening Remarks

- A. Kyanne will be returning next week.
- B. Secretary today – Kitty Rucker

II. Approval of Minutes. – Ann read the minutes, and they were approved unanimously.

III. Budget Report – We still have \$1566.26 in our account. We need to pay for the lawn mower from this.

IV. Old Business

- A. Spray Program for Poison Hemlock and Pre-emergent weeds. – Ann has spoken to Bob Neal of Town and Country Tree Service, and he will be coming out to spray when weather permits (no wind and no rain).
- B. Noxious Weed Program – “Alien Invaders”

1. Date - March 24, 2012, 9:30 A.M.
2. Muffins will be brought by Kitty, Ann, Gretchen, and Phyllis.
3. Posters and fliers will be made by Phyllis

C. Input on Beach erosion project

1. Many of the logs protecting the beach have broken loose.
2. Betty asked if we could use the logs from the bulkhead as it is knocked down to strengthen the log barrier. Art said that we can't use creosoted logs because the county considers them dangerous to the environment.
3. Bill McFarland said that he would work on an article about the danger to the beach. (Kitty met with him today, got the information, and wrote the article for the April newsletter.)
4. Art went to the Jefferson County Environmental Dept.
 - a. They told him that their job is to give information, not to act as an enforcement agency.
 - b. They have some grant opportunities that could be helpful to us.
 - c. They are working on a flier on what plants would help to prevent erosion on the beach.
 - d. It is possible to buy stumps to put on the beach. They are costly.

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- e. Irondale Beach has used some of this kind of stumps to save their beach. The state did the work.
 - f. The Marina people have been very helpful to Bill McFarland in securing logs on the beach.
 - g. We should notify people at the March Noxious Weed Program about the danger to the beach.
 - h. Kitty wrote an article on this for the newsletter today.
- D. Septic Tank Program by Mac MacDonald – He took a course a few weeks ago and learned a lot about this topic.
- 1. Date – April 14, 2012 at 9:30 A.M.
 - 2. We will plan who will bring muffins at the next meeting.
 - 3. Art will put it on the calendar in the office.
- E. Betty asked to revisit the topic that we had discussed at a prior meeting about recycling paper, bottles and cans.
- 1. Dick Poole had checked and found that it was not economically sound to have big bins at the office area and then recycle them to Bremerton.
 - 2. Betty wants to have recycle cans in the Clubhouse where people can deposit recyclables. She and other individuals would then take them to the dump.
 - 3. Betty will check into the cans that the Co Op has and check on Google to see how much they cost.
 - 4. We could ask the Social Club if they would purchase them since our budget is so small.

V. New Business

A. Nominations for new Chairperson for our committee

- 1. Ann will stay on until a new chairperson is elected. The meetings will have to be on a different day because she cannot make Monday meetings. She will also not be as involved in the committee because of family and other interests. She will still be a resource person.

2. People nominated:

Betty Hanks – can't do it

Dick Poole – Kitty will contact him

Kitty Rucker – cannot do it

Gretchen Cooper – cannot do it

Kyanne Anderson – Ann will contact her

(Dick is gone to CA for 4 months a year. Kitty said that she would cover for him during that time, if he would do it.)

- 3. Secretary – We can continue to ask someone to take minutes at each meeting or one person can do it for each meeting if they will. Kitty was asked if she would do it. She will let us know at the next meeting.

B. Biodegradable doggie bags.

- 1. Phyllis has found some doggie bags that are biodegradable and environmentally better than plastic bags.

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2. You can get these bags on line at Amazon under Pet supplies. They are 744 for \$9.99 plus tax
3. Many people feel that leaving doggie mess in a vacant lot or buried on the beach is okay. It isn't. People can walk in it and on the beach it pollutes the water and could injure animals
4. Kitty will write an article for the newsletter on this subject and give Phyllis's phone number to contact if people want it purchase these biodegradable bags. She will order them when people give her the money, and she will make a large order. That will save people the shipping charges.

Finance Committee:

Attached are several documents that summarize the financial position of CGCC as of 12/31/2011. The material was prepared using a variety of existing financial documents including the 2011 information provided to Mr. J. Vandal, CPA as part of the 2011 CGCC required audit.

The material is provided for information only and, at this time, no formal action is requested. The material raises several issues, some of which are currently being investigated while others will require future discussions. The materials attached include: (Materials can be reviewed in the Cape George office)

A. A summary of the 2011 financial statements, CGCC requested audit adjustments and the likely resultant formal financial statement values. Accrual accounting methodologies suggest there should be excess revenue of \$87,432 available for transfer to the Replacement Reserve fund. Some of this excess has already been transferred through interest income entries and the final result could change should Mr. Vandal recommend formal audit adjustments. (4 pages)

B. The excess revenue transfer leads to the second document, the Year End Cash "conundrum." This document has been updated to reflect final, year-end pre-audit information. The message it delivers has not changed. Work is on-going to identify the root causes of this problem and it is proving challenging. My professional opinion is that this is a material issue but not one generated by misdeed but rather one caused by misunderstanding and/or inadvertent error. (1 page)

C. The final document was generated in response to several requests to update the earlier cost center pro-formas. The information remains basically the same although marginally refined and expanded. In addition, and representing the most noteworthy change, the information on the flow of funds through the Reserves was changed from an accrual basis to a cash flow basis. In this respect it is now easier to tie the historical values to existing records and published statements. The pro-formas suggest that CGCC will face significant challenges in its financial operations between 2012 and 2016, most notably in the Marina and there will be rapid depletion of General and Marina reserves. (4 pages)

As always, should you have questions or wish to discuss the implications of this material in greater depth, please don't hesitate to contact me.

Pool Committee:

ATTENDEES: Art Burke, James Fling, Leanne Ryan, Norma Lupkes, Robin Scherting, Rocky D'Acquisto,(Chairman)

NOTES:

Jim Fling updated the committee on the current situation with the pool HVAC/humidity issue. No quotation has been received as yet for constructing the ducting system for pool dehumidification. A couple of different options are being considered and the final decision will be made after the bid comes in.

\$12,000 has been allocated for a duct system and air handler. Art has been communicating with Brian Belmont of the Port Ludlow community pool dehumidifier project. They have hired an engineering firm to assist with their efforts. Jim will call the HVAC vendor once more and give them the recalculated smaller size of the area with the addition to the fitness room.

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The recommendation has been made to install a louvered 24" industrial fan in the window of the room connected to the pool to replace the 2 fans currently located in the pool room itself. They are very noisy and ineffective for the required air movement. The committee voted 5-0 in favor of replacing them and using \$419 from the pool fund to pay for the project.

A request has been made by a fitness room user in a wheelchair to have access to the room through the new door installed in the north end of the pool area. Art has recommended that we issue individuals with this request a key for the locked door as it provides much more accessible entry to the room.

Jim has been working with the Emergency Preparedness committee on some possible options for water safety in the pool relative to CPR and use of a backboard. Rocky will contact East Jefferson Fire District for their expertise and possible assistance with this issue.

Diligence in monitoring the vandalism which occurs in the clubhouse/pool/fitness room continues and those involved will have privileges revoked.

Social Club:

Minutes of January 24, 2012: Approved, Treasurer's Report: Approved as presented by Jan Stone.

Old Business:

- Granny's Attic Report: Robin Scherting and Leanne Ryan reported that planning for the event is well underway. The sale is Friday & Saturday April 27th & 28th from 9am to 3pm. Setup begins Monday April 23rd and continues all week. Help with pricing, setup and takedown would be appreciated.
- Revue Report: Jan Stone reported the rehearsals are underway. One more act is needed. The dates are May 11, & 12th Tickets for the Saturday performance are sold out, and Friday is about half sold.
- Pickle Ball Court (henceforth to be known as Sports Court): The plan has been expanded to include a pickle ball court, a bocce ball area, one basketball hoop, and a shuffle ball court. When Gail Krentzman returns plans will proceed.
- Cape George University (CGU): Jan Stone reported that Roger and Kyanne Andersen have agreed to Co-chair this committee. The first meeting for this year is scheduled for April 19th at 3 pm in the Clubhouse. Richard Isherwood's presentation on March 23rd was well attended (over 75).
- St. Patrick Day dinner March 17th was well attended.
- Memorial Plaques: Robin reported that they have not been kept up lately because of difficulty in getting information about deceased people who have moved away, or in some cases members not wanting to participate. After discussion, this issue will be turned over to Jeannie Ramsey, chair of the Memorial Committee. It will be brought up again when we have more information.

New Business:

- Art Burke reported on the need for a digital projector for the Clubhouse. It would be a valuable addition for presentations of all kinds. For the last several years we have had one on loan. The cost would be about \$400.00. After discussion, it was moved, seconded and passed to pay up to \$500.00 for the projector, from Social Club funds.
- Recycling for the Clubhouse: Art reported that he has researched buying bins for this purpose. The environmental committee has volunteered to take items to the Recycling Center. It was reported that a member has volunteered to donate bins that might work. The matter was tabled until more is known about the donation. All members present were in favor of pursuing this.

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- Robin Scherting asked the club to consider buying biodegradable bags to be put in the dog refuse boxes to replace the plastic ones now being used. The cost is \$50.00 for 1500. It was moved, seconded and passed to purchase the bags for this one time only. Robin will write a notice for the Newsletter.
- Welcome Committee: It is now being chaired by Lee Jensen. Information is given to him from the office. Lee will be invited to the June meeting to report on this.
- Mary Hilfer passed around a signup sheet for late spring and summer activities. Volunteers are needed to plan and put on the BBQs for these days. An article will go in the newsletter about this.
- Game Night: Sharon Mitchell reported that Bunco nights had about 15 people attending. She is proposing a monthly game night, with various games to be available.
- Nominating Committee for June Elections: Norma went over the various duties of officers for the Social club as found in the By-laws. Helen Ann Skowyra and Carolyn Ramey volunteered to help Norma on this.
- A general discussion was held about how to get more attendance at the quarterly Social Club meetings, and getting more help with the planning of social events. It was suggested that we put an article in the newsletter about what the Social Club does, the fact that all residents become members when they move in, and some history about what has gone on over the last 40 years to provide and help maintain many of the amenities we enjoy here in Cape George.

Upcoming Events:

- Granny's Attic April 27th & 28th – Clubhouse closed starting Monday that week
- Cape George Revue May 11th & 12th @ 7 pm
- Memorial Day BBQ May 28th @ 5:30 pm
- Summer Solstice June 23rd @ 5:30 pm
- July 4th BBQ Wednesday July 4th @ 5:30 pm
- Salmon BBQ Sunday, July 22nd
- Next meeting Tuesday June 5 @ 11:30 (luncheon)

Water Committee:

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

1. On March 20 Art, Greg, Ed and Scott drove to Olympia and met with Bill Clarke, our attorney regarding water rights negotiations with the Dept. of Ecology (DOE). Then they all went to the
2. DOE and met with Marie Peters and an attorney from the AG's Office (representing DOE). This was the first of several anticipated meetings to negotiate a long term water right agreement for Cape George. DOE maintains that our water rights should be 160 acre feet and we're adamant that it should be 192 plus we've applied for additional water rights to take it up to 225 for ultimate build out. It appears they don't want to give in that might set a precedent which could

affect other agencies so part of the negotiations may be to find a way to meet our needs in a manner that they can accept without setting a precedent. DOE seems to be basing part of their argument on our current average use per customer while our data shows that we have many vacant homes or part time residents which lower our average. We need to provide for the ultimate

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needs of a full time residence on every lot, not assuming that we'll always have a part time residency.

Bill Clarke has requested additional background information from Art. His most recent email implies that he expects a response from DOE in the near future and the potential for another meeting to continue negotiations.

3. Ed and Greg have provided all of the needed information regarding the new Well 8 to Bob Leach of NTI and that information now needs to be incorporated into the draft Water System Plan (WSP) and resubmitted to the Dept. of Health (DOH) for review and approval. They may be able to approve Well 8 for service separately from approval of the complete WSP which may take a while with a back and forth review process.
4. The firm that will be inspecting and cleaning the water tanks is scheduled to be here next week. They do this work with the tanks full, swimming in scuba gear. They are fully 'disinfected' before entering the water so there is no need to take the tanks out of service and no impact to our customers. They take a video of their findings. The cleaning is with a vacuum system.
5. As usual, Stew reported on his work with the most recent meter reading cycle which produced 18 leak alarms. New leaks show up on each month's report, especially now that we are seeing seasonal residents return and we'll soon be seeing irrigation systems turned on so it's important to keep a close watch on this report each month. This cycle showed 49 meters with zero flow (vacant homes).

Related to the total water reported in the meter reading system, Greg compares that number to the volume that the well meters show as being pumped into the system and the difference between the two numbers is called 'unaccounted for water', that is water which is goes into the system but is not sold to the customers. That number should be less than 10%. Most of the time, we're less than 10% but Greg does some more checking when it's over. Sometimes it's just a matter of how the numbers come out of the two systems due to the dynamic nature of two different operations. But we are required to monitor and report these numbers to DOH.

6. Art said that two more residences will have water meters shut off now due to non-payment and the homes are going into foreclosure.

The next meeting will be on May 8, 2012 at 5 pm at the Office.

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BOARD OF TRUSTEES MEETING
MAY 10, 2012
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President Richard Hilfer called the meeting to order at 7:00 PM

Welcome & Comments – Richard Hilfer, President

Welcome

Environmental Committee Chair Ann Candioto is stepping down after two years of service in this position.

Board election nominations are currently open and will close on May 10th.

Marina Seawall Task Force update.

Granny's Attic made almost \$2,400 this year, with proceeds to go toward the new sports court.

Executive session to follow the Regular Board Meeting for the purpose of discussing a possible member violation.

Action on Minutes: Carol Wood moved, John Hanks seconded to approve the minutes of the Regular Board Meeting of April 12, 2012 as amended. Passed 6/0.

Membership Report: Carol Wood

David Riggs purchased 120 Ridge Drive from James Profit

Treasurer's Report: John Hanks

As of April 30, 2012 the Checking Account total was \$107,215.28. There are a total of 3 CD Accounts totaling \$164,978.46, and 1 Money Market Account totaling \$270,899.97, special assessment \$76,453.26 and 2 Petty Cash Funds totaling \$600.00 for a total of 620,146.91 in cash and investments. **Accounts Receivables:** (Not including Special Assessment) **As of April 30, 2012** Accounts Receivables totaled \$14,210.23 including \$5,600.73 past due accounts. **Summary of Expense and Income Statement Review: As of April 30, 2012** General Operations is \$10,526.99 under budget; Water Operations is \$3,998.28 over budget due to overage in contract services; and Marina Operations is \$6,597.41.

Manager's Report: Art Burke

I have attended a couple of meetings with the recently formed Shop Ad Hoc Committee. We are collecting input on a variety of topic areas including liability, funding, safety, security, loss prevention and education. Future meetings will begin the work of discussing solutions to problems and making recommendations to the Trustees.

A review committee including the Finance Committee member Georgette, Trustee Penny Jensen and myself has begun the process of evaluating proposals from insurance providers for the renewal of the corporation's insurance coverage. The Finance Committee will then prepare a recommendation to be presented to the Trustees later this month.

The Sheriff's Department speed trailer has been delivered to a location on Dennis Blvd. to remind people of how fast they are going. At the end of the week it will then be taken to a location in the Colony. This is part of an ongoing effort to call everyone's attention to the need to control your speed on community roads.

A new style of "Parking Violation" tags is now available to members interested in monitoring this activity in the community. If you frequent any of our common property parking lots and would be interested in using these tags, please see me in the office to learn the steps you need to take to use them.

The first cycle of lot mows is underway and should be completed this week. Lots that were not included in the first mowing and haven't been done by the owners at this point will be receiving

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notices of violation. All vacant lots need to be mowed three times during the summer, once prior to April 20th, once prior to Memorial Day and once Prior to August 7th.

An exhaust fan was installed at the pool with funds coming from the Pool Committee. As a result, there has been an increased efficiency in controlling humidity in the building. The blower for the secondary boiler at the pool was replaced.

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

- A 12 foot section of fence was stolen from a residence in the Village
- Someone tried to gain access to the Clubhouse through a window.
- Property maintenance complaint in the Colony.
- Non-member caught removing driftwood from the beach and asked to leave.
- Complaint of trees being cut without a permit in the Colony.
- Report of an underage teen in the Clubhouse without an adult.
- Water draining from residence onto Dennis Blvd.
- Water draining from common property onto members' property
- Cars being parked on side of road in the Colony.

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

New Business Information Items:

The Board directed the Manager to publish the proposed changes to FIN03 Collection of Delinquent Accounts as recommended by the Finance Committee in the next newsletter for member comment.

Member Participation:

New Business Action Items:

Motion 1: John Hanks moved, Robin Scherting seconded to approve variance request #1 to allow a maximum height restriction variance to Wei Zhou. Passed 6/0

Motion 2: John Hanks moved, Penny Jensen seconded to approve variance request #2 to allow a minimum square footage variance to Wei Zhou. Passed 6/0

Motion 3: Mike Smith moved, Penny Jensen seconded to approve attorney Bill Clarke's proposal to pursue new application for water rights with Washington State Department of Ecology as recommended by the Water Committee. Passed 6/0

Motion 4: Mike Smith moved, Penny Jensen seconded approve three requests by members for a Due Date Adjustment. Passed 6/0

Open Board Discussion:

Announcements:

Meet The Candidates – June 12, 2:00 P.M.

Variance Hearing – June 12, 3:00 P.M.

Study Session – June 12, 3:00 PM

Board Meeting – June 14, 7:00 PM

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Motion 5: Robin Scherting moved, Ross Anderson seconded to adjourn to an Executive Session to discuss a possible member rule violation at 7:43 pm. Passed 6/0

Discussions at the Executive Session are confidential

Motion 6: Carol Wood moved, Penny Jensen seconded to adjourn the Executive Session and resume the Regular Board Meeting at 8:20 pm. Passed 6/0

Adjournment: Penny Jensen moved, Mike Smith seconded to adjourn the Regular Board Meeting at 8:20 pm. Passed 6/0

Submitted by:

Carol Wood, Secretary

Approved by:

Richard Hilfer, President

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COMMITTEE REPORTS RECEIVED BY BOARD OF TRUSTEES

Building Committee:

Earthworks permit issued:

KAREN LULL: 71 N. Palmer Drive, Colony

Needs to have perc holes dug. 4-6-12

Variance Request Meeting:

WEI ZHOU 130 Johnson Highlands

Building Committee recommends approval (5/0) for both variances, minimum dimensions & maximum height regulations.

Environmental Committee:

MEMBERS PRESENT: Ann Candioto (outgoing chair), Phyllis Ballough, Amy Brandon, Art Burke, Betty Hanks, Dick Poole, Pat Hartman, Lorna Smith, Kyanne Anderson

Minutes were reviewed and accepted as corrected. Cost of doggy bags is \$19.99 per Phyllis. We need to get a new chairperson and will put information in the bulletin.

OLD BUSINESS: **Budget** – Balance is \$1,666.26 with \$1,400.00 spoken for. **Spraying Program** – This program was cancelled due to illness of presenter. It will be rescheduled. **Spraying** – Two weeks ago, Bob Neal of Town & Country did spray for poison hemlock and pre-emergent weeds in both parks. **Program on 4/21** (Septic Care) will take place. It will run one & a half hours. Muffin bakers will be Phyllis, Kyanne, Pat, and Ann. **Rain Garden** – This subject will be tabled until Gretchen can attend the meeting. **Recycling at Clubhouse** – Betty discussed cost of recycling containers for events at the Clubhouse. Art agreed to discuss this with the Social Club in hopes they will be able to buy the containers.

NEW BUSINESS: **Aloha Ann** – Ann Candioto leaves as chair of the Committee. The attendees thanked Ann for her great contribution as chair for the past two years. Ann discussed meeting times for the committee. It has been the second Monday each month at 9:30 am. Due to Ann's schedule conflicts, we have been meeting on the first Friday of the month at 9:30 am. Several members prefer the Friday meeting time. Ann advised that the main focus of the committee this coming year will be beach erosion.

NEW CHAIR REQUIRED: We discussed everything from disbanding the committee until a new chair is named (Pat), to sharing the chair among members of the committee for a month or so each (Lorna) until a new chair is named. Ann will ask Kitty to chair the next meeting. Ann will ask Gretchen to get brochures to publicity for Septic presentation on the 21st. The meeting was adjourned at 10:30 am.

Finance Committee:

Finance Committee held its regular monthly meeting on Monday, April 16, 2012, 9:30am at the Clubhouse. Present were B. Barnhart, G. Semick, and K. Krug. Also attending were J. Hanks, Treasurer, A. Burke, Manager and D. Poole. Most agenda items were condensed in favor of discussions on the third and final read of FIN03, Delinquent Accounts and Collections.

1. Updates

- a. March and April Board actions with financial implications were summarized.
- b. Previous open financial statement issues – January and February
 - i. The response to FINCOM's Jan. and Feb. observations were emailed on 4/14/2012. The response is attached. There are several remaining questions and they have been incorporated into the March Observations (see below).

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
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- ii. Also received were several procedural documents. The management team is applauded for undertaking this formal documentation process.
- c. Audit 2011 update
 - i. Response to original questions received from the auditor (4/9/2012) and reply sent same day (Email attached but PDFs attached to email not attached).
 - ii. Manager to follow up the week of April 16 to ascertain when the next draft is expected.
- 2. March 2012 financials
 - a. Formal statements – emailed to FINCOM members 4/14/2012.
 - b. March observations are attached.
- 3. Final review of update to FIN03 - Collections
 - a. Final version of FIN03 was reviewed with some discussion regarding elements of the new version with particular emphasis on Section 1.10.
 - b. Final FIN03 recommended policy to be transmitted to the Board of Trustees under separate cover (Cover memo to that transmittal is attached).
- 4. Other business
 - a. The updates to the new Reserve study have been sent to RDA and it is expected that the new version will be received shortly.
 - b. The insurance renewal process is proceeding. Many companies have chosen not to respond stating that CAU is “hard to beat.” CAU has not yet provided a quote. A completing broker has provided preliminary information suggesting a possible competitive alternative to CAU coverage. All current policies expire on 6/18/2012.

Next meeting will be Monday, May 21, 2012 at 9:30am in the Clubhouse.

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

- (I) Depreciation schedule – second round of correction of defects
- (II) Modification to FIN02 and FIN04 – changes resulting from new RCW for HOA reserves
- (III) Cash flow schedule – forensic reconstruction still in process

Marina Committee:

The Marina Committee met on May 1st with 12 members present to discuss and resolve the following: The annual Marina BBQ will be held in conjunction with the Cape George Regatta on August 11. The Marina Committee will host the affair with all CGCC members invited. There will be a sign-up sheet prior to the event. There was a consensus that all Community shop power tools have appropriate safeguards or be replaced. With that in mind we approved the purchase of a new miter saw, to be paid for with Marina sale proceeds. It was also agreed that the Marina Committee would be working closely with a newly-formed Community Workshop Committee, which is presently in its Ad Hoc stage. Since we’ve been assured of getting the necessary permits, it was resolved that our annual dredging would be held on July 2 and 3rd. The dredging would occur on minus tides; therefore no one is going to get in or out of the entrance anyway. There was much discussion on the annual Marina Sale which occurred May 4 & 5th, with various job assignments to members. The sale was a success with the Marina grossing over \$1700.

Pool Committee:

ATTENDEES: Art Burke, James Fling, Leanne Ryan, Norma Lupkes, Robin Scherting, Rocky D’Acquisto, Chair

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NOTES: Jim Fling updated the committee on the current situation with the pool HVAC/humidity issue. No quotation has been received as yet for constructing the ducting system for pool dehumidification. A couple of different options are being considered and the final decision will be made after the bid comes in. \$12,000 has been allocated for a duct system and air handler. Art has been communicating with Brian Belmont of the Port Ludlow community pool dehumidifier project. They have hired an engineering firm to assist with their efforts. Jim will call the HVAC vendor once more and give them the recalculated smaller size of the area with the addition to the fitness room.

The recommendation has been made to install a louvered 24" industrial fan in the window of the room connected to the pool to replace the 2 fans currently located in the pool room itself. They are very noisy and ineffective for the required air movement. The committee voted 5-0 in favor of replacing them and using \$419 from the pool fund to pay for the project.

A request has been made by a fitness room user in a wheelchair to have access to the room through the new door installed in the north end of the pool area. Art has recommended that we issue individuals with this request a key for the locked door as it provides much more accessible entry to the room.

Jim has been working with the Emergency Preparedness committee on some possible options for water safety in the pool relative to CPR and use of a backboard. Rocky will contact East Jefferson Fire District for their expertise and possible assistance with this issue.

Diligence in monitoring the vandalism which occurs in the clubhouse/pool/fitness room continues and those involved will have privileges revoked.

Water Committee:

The meeting was held at 5 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water Manager; Mike Smith, Board Liaison; Larry Southwick, Committee Chair (arrived late); Committee members, Ed Skowrya, and Thad Bickling.

Bill Clarke, our attorney regarding water rights negotiations with the Dept. of Ecology (DOE), called in to discuss the latest communications from the State. Bill had forwarded an email from Robin McPherson, attorney with the AG's office representing the DOE which stated their current proposal as follows:

- The new (water right) application, G2-28918, will be processed directly by Ecology and not via cost recovery. This would provide an "umbrella right" that covers all of Cape George's rights to date. All previous water rights, including G2-23774 (1975) would remain on the books to preserve priority dates associated with the primary rights and specific sources.
 - If the quantity is approved, the application would be issued for 192 AFY (acre feet per year), non-additive to existing primary quantities issued under Certificates 5576 and 5577, except that portion necessary to be "additive" such as it is to the disputed cap on G2-23774 (1975, at 160).
 - Ecology would include a provision specifying the total allowable maximum combined instantaneous rate from all sources.
 - The new permit would cover any and all active and emergency back-up wells, including Cape George's newly drilled production well.
-
- Ecology would review the demand forecast calculations in the water system plan in consultation with DOH (Dept. of Health) to verify compliance with water use efficiency standards under the MWL (Municipal Water Law).

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- If we are ready to issue a decision on Application G2-28918 prior to the end of this year (when we're set to revisit G2-23774 under the settlement agreement), we must agree on a simultaneous amendment of Permit G2-23774 so that it is resolved at the same time at 160, and there are no outstanding issues about that permit.

It is Bill's recommendation that we accept this proposal and proceed accordingly rather than push for a protracted argument over our differences regarding 160 and 192 AFY. We will still have reserved our rights to argue that if we don't reach an agreement but it seems that DOE is ready to move forward with the water right application and should accomplish most of our goal with less effort and cost on our part. The Committee agrees with this approach and recommends that Art take this to the Board for approval. Bill will send a summary to Art in the morning to put on the agenda for the Thursday Board meeting and Mike will make the motion to move forward with this direction.

1. The draft Water System Plan (WSP) has been resubmitted to the Dept. of Health (DOH) for review and officially accepted this time.
2. Stew was not present but reported by email on his work with the most recent meter reading cycle. He said he solved why a vacant house without an irrigation system can use average 5-20 gallons per day without a leak. Seems a timer based water softener will run through a full cycle every few days.

The next meeting will be on June 5, 2012 at 5 pm at the Office (Larry will be out of town)

CAPE GEORGE COLONY CLUB
SPECIAL BOARD OF TRUSTEES MEETING
JUNE 1, 2012
7:00 PM

President Richard Hilfer called the meeting to order at 3:00 PM

In Attendance: Richard Hilfer, Ross Anderson, Penny Jensen, John Hanks, Mike Smith, Robin Scherting

Motion 1: Mike Smith moved, Ross Anderson seconded to accept the recommendation to move forward with contracting CAU insurance company. Passed 4/1

Motion 2: John Hanks Moved, Robin Scherting seconded to gather additional information from CAU as recommended by the Finance Committee and also continue to investigate/follow up on information from Rice Insurance. Passed 5/0

Adjournment: Penny Jensen moved, John Hanks seconded to adjourn the Board Meeting at 4:23 pm. Passed 5/0

Submitted by:

Carol Wood, Secretary

Approved by:

Richard Hilfer, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JULY 12, 2012
7:00 PM

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

Welcome & Comments – Richard Hilfer, President

Welcome

There will be an Executive Session following the Board Meeting to discuss personnel issues.

In Attendance: Richard Hilfer, Robin Scherting, Carol Wood, Ross Anderson, John Hanks, Mike Smith

Action on Minutes: Carol Wood moved, Ross Anderson seconded to approve the minutes of the Regular Board Meeting of June 14, 2012. Passed 5/0.

Membership Report: Carol Wood

Joyce Cardinal purchased 11 N. Palmer Drive from Fannie Mae

Doug Lind purchased 230 Quinault Loop from William Cooper

Treasurer's Report: John Hanks

As of June 30, 2012 the Checking Account total was \$120,012.12. There are a total of 4 CD Accounts totaling \$356,690.21, and 1 Money Market Account totaling \$79,440.60, special assessment \$104,614.48 and 2 Petty Cash Funds totaling \$600.00 for a total of 661,357.41 in cash and investments. **Accounts Receivables:** (Not including Special Assessment) **As of June 30, 2012** Accounts Receivables totaled \$25,253.15 including \$5,600.73 past due accounts. **Summary of Expense and Income Statement Review: As of June 30, 2012** General Operations is \$14,240.53 under budget; Water Operations is \$4,067.33 over budget; and Marina Operations is \$10,754.99.

Manager's Report: Art Burke

In an interest to compare services, we have sent out requests for proposals to conduct the 2012 corporation audit and tax statement. CPA's that specialize in common interest communities were mailed the request and we have received two responses so far.

Final work is underway to update the Cape George Telephone Directory. In the next week you will be able to stop by the office and pick up the new version of this document. The cost will remain the same - \$3 per booklet. A huge thank you to Joyce Skoien for taking all of the corrections we received from the last version and updating the new directory.

Preliminary work is underway to obtain cost estimates on replacing/repairing the ducting and heat exchanger in the pool. Member of the Pool Committee are working with me on scheduling contractors to make a site visit and provide quotes on work.

An additional tab has been added to the Cape George website home page that links to our current Fees and Charges document. This was requested by the Trustees during the July Study Session and easily implemented.

A summary of the Water Use Efficiency Goal Setting Meeting will be prepared and published in the August Newsletter for member comment. A final document will then be prepared for review and approval at the August Board meeting.

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

- Complaints of Scotch Broom and Poison Hemlock growing at various locations in the Village and Colony.

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- Complaints of lots not mowed at various locations in the Village and Colony.
- Complaints of property maintenance at locations in the Colony and Village.
- Multiple complaints of dogs barking in the Colony.
- Building Permit violation in the Village.
- Report of Clubhouse not being cleaned after use.
- Complaint of earthworks being conducted without a permit in Village.
- Hedge complaint in the Village.
- Sign complaint in the Village.
- Complaint concerning junk/unlicensed vehicle in the Highlands.
- Non-member using Fitness Room.

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

New Business Information Items:

The Board reviewed information presented by Marina Committee Chair Tom Ramsey related to the reason for a \$755 cost overrun on the dredging of the channel.

The Board discussed whether it would be necessary to file notice of the Special Assessment with the County Auditor's office and decided it would not be necessary.

The Board reviewed recommendations from the Election Committee regarding proposed additional statements to MIS01 Election Procedures and directed the Manager to publish the changes in the August newsletter for member comment.

Member Participation:

New Business Action Items:

Motion 1: Carol Wood moved, Robin Scherting seconded to approve the revisions to CP03 Marina Usage dealing specifically with fees (Items 11. and 19. f.) as was published in the July newsletter
Passed 5/0

Motion 2: Mike Smith moved, Ross Anderson seconded to adopt the revised Marina Committee Charter as rewritten by member Bill Stull and amended, at the Study Session, by the Trustees. Passed 5/0

Motion 3: John Hanks moved, Mike Smith seconded to rescind the April 12, 2012 decision authorizing the expenditure of not to exceed \$2,000 for a survey and not to exceed \$6,000 for soil analysis for the North seawall repair project. Passed 5/0

Motion 4: John Hanks moved, Robin Scherting seconded to approve the expenditures of not to exceed \$10,000 for structural engineering by MC Squared Incorporated and not to exceed \$10,000 for soil analysis by Bradley-Noble Geotechnical Service for the North seawall repair project with the funds to come from Marina Reserves and the Special Assessment funds in the proportions previously approved by the Board. Passed 5/0

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BOARD OF TRUSTEES MEETING
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Motion 5: Robin Scherting moved, John Hanks seconded to approve the proposed Community Workshop Committee Charter as published in the July newsletter. Passed 5/0

Motion 6: John Hanks moved, Mike Smith seconded to approve a members' request for a Due Date Adjustment. Passed 5/0

Open Board Discussion:

Carol Wood announced that the By-Law and Building Rules & Regulations update project that she has been working on is complete and the information was compiled and shared with the Board.

Announcements:

Annual Membership Meeting – July 21, 2:00 P.M.

Special Board Meeting, Officer Selection – July 21, 3:00 P.M.

Study Session – August 14, 3:00 PM

Board Meeting – August 16, 7:00 PM

Motion 7: Ross Anderson moved, Mike Smith seconded to adjourn to an Executive Session to discuss a personnel issue at 7:25 pm. Passed 5/0

Discussions at the Executive Session are confidential

Motion 8: Carol Wood moved, Ross Anderson seconded to adjourn the Executive Session and resume the Regular Board Meeting at 8:25 pm. Passed 5/0

Motion 9: Robin Scherting moved, John Hanks seconded to authorize the Manager to develop a plan of action to address accounting issues. Passed 5/0

Adjournment: Mike Smith moved, John Hanks seconded to adjourn the Regular Board Meeting at 8:30 pm. Passed 6/0

Submitted by:

Carol Wood, Secretary

Approved by:

Richard Hilfer, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JULY 12, 2012
7:00 PM

COMMITTEE REPORTS RECEIVED BY BOARD OF TRUSTEES

Building Committee:

Building Permits Issued:

CHRIS ADAMS: 94 Alder, Village

Construct a shed on his rental property at 97 Pine.

MIKE HINOJOS: 40 Spruce, Village

Construct a 12x16 shed.

Earthworks Permits Issued:

DIMNE COTE: 330 N Palmer, Colony

Prepare for driveway connections.

KEN OWEN: 210 N Palmer, Colony

Extend culvert & prepare for paving.

KAREN LULL: 71 N Palmer, Colony

Install septic, grade driveway, install (widen) driveway apron, install storage shed.

Driveway Connection Permits Issued:

BARTON KAVRUCK: 220 Quinault Loop, Colony

KAREN LULL: 71 N Palmer, Colony

WILLIAM ROGERS: 531 Dennis, Village

Finance Committee:

1. Finance Committee held its regular monthly meeting on Monday, July 16, 2012, 9:30am at the Clubhouse. Present were B. Barnhart, J. Harrington and K. Krug. Also attending was A. Burke, Manager.
2. Updates
 - a. Finance related topics – July Board actions:
 - i. A tab has been added to the CGCC website for fees and charges (based on discussion at the Study Session)
 - ii. Approved change to Marina fees
 - iii. Rescinded April motion to authorize Seawall task force to spend up to \$,8000 for various items (see 1.vi below)
 - iv. Authorized N Seawall task force to spend up to \$10,000 for engineering costs related to the N Seawall project and \$10,000 related to soil sampling/drilling related to the N Seawall project.
 - b. Previous open financial statement issues –
 - i. Special Assessment AR – continues to be a topic of considerable discussion by the Committee.

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- ii. The work on lot mow income/receivable has been completed and verified with only one or two minor exceptions.

3. June 2012 financials

a. Formal statements – emailed 07/07/2012

- i. Special Assessment/Cash equation is out of balance by nearly \$9,800. Workpaper distributed showing movement of SA and general receivables from June 2011 to June 2012 and explainable and unexplainable variances.
- ii. June statements also contain a number of other minor issues related to incorrect, inconsistent or unclear coding and/or presentation.
- iii. Three emails from Chair to Committee detailing issues dated July 07, July 13 and July 19. The memos are not attached but are available.
- iv. Meeting with Clarity and CG personnel on 07/16/12 to discuss statement issues;
- v. **CORRECTED FINANCIAL STATEMENTS ISSUED ON JULY 19, 2012.**
 - 1. While there are still minor issues to be resolved, the statements do fairly present, in all material aspects, the results of operations and the financial position as of June 30, 2012.

4. Audit selection process

a. Only two responses received related to selection of an external auditor

- i. Joseph Vandal – our existing auditor. Did not address any of the RFP items.
 - 1. Leaves the impression that 2002 fiscal year change was recent;
 - 2. Also stated there had been “....about 40 emails,” and that was responsible for delaying the audit. Only five (5) were sent all asking for status information.
- ii. C&C – a thirteen member CPA firm specializing in audit and accounting issues for CIRAs (common interest realty associations).
 - 1. Provided a thorough response that addresses all RFP issues.
 - 2. Provided samples of their document and engagement letter requests.
 - 3. They raised questions related to prior year tax and asset information.
 - 4. References will be checked and answers to several additional minor questions will be obtained.
 - 5. C&C currently has 300 audit clients; provides accounting related services to about 550 associations. They are based in Bellevue, WA.

- b. The Committee, under separate cover, will recommend to the Board that C&C be retained for the 2012 audit and tax return. This recommend of course assumes that no adverse information is obtained from the references.

5. Reserve study update

- a. The draft executive summary memo has not been updated since last meeting. The memo will be edited prior to distribution.

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- b. It is anticipated that Reserve related material will be ready to submit to the Board sometime in late July or early August.
- 6. Other business
 - a. Per the request of the Board, G. Semick had obtained additional insurance quotes for flood insurance to cover the Clubhouse and the Workshop. She also updated the comparative insurance pricing spreadsheet.
 - i. After considerable discussion concerning cost and benefit, the Committee will forward the additional information to the Board WITHOUT recommendation.
 - b. There was a discussion of selecting a new chair for the coming year. The Committee felt the current arrangement should continue.
 - c. There was discussion of recruitment of additional members and it will be placed on the August agenda.
 - d. There was also discussion regarding a change of meeting date/time as well as venue for the coming year. This too will be placed on the August agenda.
- 7. The meeting was adjourned. The next regularly scheduled meeting will be held on August 20, 2012 at 9:30am in the OFFICE CONFERENCE ROOM. (NOTE CHANGE OF VENUE).

Marina Committee:

Those in attendance: Tom Ramsey, Thad Bickling, Gary Rossow, Bob Skoien, Galen Peterson, Brian Ritchie, Ted Mills, Mac McDonald, Scott James, Jack Scherting Dick Poole, Carl S., Bill Stull, John Hanks, Dale Huselton, Ken Owen, Don Lee, Paul Happel, and Bob Schlentner.

Dick Poole and John Hanks gave an update on the seawall project. Engineering bids would be forthcoming as is required for the permitting process. There was discussion with the Seawall committee regards to including South Wall in permitting process.

Bob Skoien made a motion, which was seconded by Galen Peterson to leave CP03 the same without any changes with regard to the January, 2012 version. The motion was passed with 15 of the 19 present voting for it. The result of this vote means that the marina committee does not want boats with a beam (width) exceeding 12 feet. Ability to navigate and stress on docks and pilings were given as reasons.

Gary Rossow informed the committee that Shearer Excavations would not be able to complete the Marina's annual dredging in the allotted 2 days. The reason given was that there was more material to be removed than in past years.

The annual Cape George Regatta was discussed (Aug. 11th) It was decided that the Marina Committee would provide beer, wine, salads, etc. for the BBQ. Club members would provide their own protein to burn on the charcoal.

Thad Bickling has undertaken the project of purchasing new life rings for the Marina. John Hanks has volunteering to craft life ring holders, thus saving a lot of money. Fire extinguishers and fuel containment processes were also discussed.

Paul Happel has researched non-skid surfaces for the ramp at the South end leading down to the Marina. He reported a fiber glass grating that would cost \$1430+. There would be attachment clips required at \$1.68 each. The committee decided to review total cost in August.

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Pool Committee:

The Pool Committee meeting was held at the clubhouse at 3:00 Tuesday 3 July 2012.

The first issue was a meeting Rock and Art had with a representative from AirFlow Heating to evaluate the capacity of the air handler and air flow through the ducting system. He said he wasn't the best person to evaluate the job and scheduled another meeting with his boss, which took place on 5 July with Jim Fling and Art. They discussed the project and all decided the best solution was to install a new exposed ducting system and new air handler. The committee will seek bids from other companies. Money for the project has been allocated from the reserve fund.

Robin Scherting brought up the next issue. Can a renter use the facilities (no) if they are also a family member (yes). She will seek advice from the board.

There was also an issue of some members swimming at incorrect times for the activities scheduled during that time. Example: Lap swimming during aerobics class. All members should be aware and respect each group's allotted time. Just a reminder, the equipment in the gray bins is only for the use by the aerobics classes.

Another reminder, exit doors are not to be opened to cool the pool area even during the hot summer hours. And doors should never be opened for convenience sake for coming and going of friends. That can result in loss of privileges.

Seawall Task Force:

Cape George Seawall Task Force Members:

Bruce Candioto, Chair, 379- 2563, brucandi@cablespeed.com

John Hank, 379- 6572, johnthanks@q.com

Paul Happel, 379- 9119, paul_happel_9@msn.com

Gary Rossow, 531- 2737, rossowgary@yahoo.com

Mike Heckinger, 206- 459- 2233, mike@wcinsulation.com

Dick Poole, 379- 4173, poolericharde@msn.com

Ben Fellows, 379- 4109, fellowsship@olypen.com

Meeting called to order at 1 pm by Bruce. All present except Paul. Tike Hillman, Art Burke and Richard Hilfer were also present.

Minutes of our May 9 meeting were approved. John Hanks volunteered to take minutes at the June 15 meeting.

The draft Engineering RFP letter was discussed. Changes were made and are reflected in the attached SECOND DRAFT.

It was moved, seconded and approved that the final version of the RFP will be circulated and approved by email. Intent is to mail it out by June 1.

Meeting adjourned at 2:05 pm.

Water Committee:

CAPE GEORGE WATER USE EFFICIENCY GOAL SETTING MEETING

The meeting was held at 2:30 PM July 10, 2012 at the Cape George Clubhouse.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
JULY 12, 2012
7:00 PM

The following attended Art Burke, Manager, Greg Rae, Water Manager, Mike Smith, Board Liaison, Committee members, Scott James, Thad Bickling, Brian Richie, Stewart Pugh, approximately Ten other Community Members.

1. Greg Rae presented information about the Washington State Department of Health water use efficiency program, and provided the imbedded handout.

On Tuesday, July 10, 2012, 2:30 pm, at the Clubhouse, a public forum for the purpose of setting a goal on water conservation will be held. The setting of the goal is to comply with the Washington State Department of Health water use efficiency program. A link to the Cape George Colony Club Water Use Efficiency and Conservation program has been posted on the Cape George website for your review.

The Water Committee has set goals internally on how the system is operated. One goal is to maintain a filter backwash water usage at 5% of total gallons pumped. The second goal is to maintain water leakage in the water system at fewer than 10% of total gallons pumped.

The goal of the meeting on the 10th of July will be a consumer based goal. The proposed goal is to reduce water usage by 2% in the peak water usage period of the beginning June to the end of September. Based on 2011 water usage, that would be a savings of 210,058 gallons per year. Over a six year span of the goals existence there would be a total savings of 1,260,348 gallons. This goal would need no additional funding to enact and could actually save the members financially on their water payments and water system operating expense. Water conservation reminders in the newsletter during the peak usage period will be submitted to attempt to meet this goal. If you are interested in providing comment on conservation measures, please plan on attending.

2. Greg presented two water system goals, the first goal is to maintain filter backwash water usage at 5% of total gallons pumped, a second goal is to maintain water leakage in the water system at under 10% of total gallons pumped.

3. Greg proposed a goal to reduce water usage by 2% in the peak water usage period from the beginning of June to the end of September. A community member suggested this goal be reduced to 1%, a vote was taken and it was decided that 1% would be the goal for this year.

4. Greg reminded all attendees that these are non-binding goals, not requirements.

An annual report will be submitted to the state.

CAPE GEORGE COLONY CLUB
SPECIAL BOARD OF TRUSTEES MEETING
JULY 21, 2012
3:10 PM

- 1) Welcome and Introductions – Richard Hilfer
- 2) In Attendance: Richard Hilfer, John Hanks, Michael Smith, Penny Jensen, Carol Wood, John Garrett
- 3) Election of the Board of Trustees

Motion 1: Carol Wood moved, John Hanks seconded to re-elect Richard Hilfer as President to the Board of Trustees. Passed 5/0

Motion 2: Richard Hilfer moved, Penny Jensen seconded to elect John Hanks as Vice –President to the Board of Trustees. Passed 5/0

Motion 3: Richard Hilfer moved, Mike Smith seconded to re-elect Carol Wood as Secretary to the Board of Trustees. Passed 5/0

Motion 4: Carol Wood moved, Mike Smith seconded to elect John Garrett as Treasurer to the Board of Trustees. Passed 5/0

The calendar for 2012-2013 was accepted as presented to the Board.

New Board liaisons were chosen for each of the committees. Richard Hilfer will work on a description of Board liaison's duties.

Board Goals: Richard Hilfer spoke about continuing with the Reserve Study & consideration to the findings.

- 4) Adjournment: Motion to adjourn was made by John Hanks, seconded by Penny Jensen. Motion passed 5/0 Meeting Adjourned at 3:45 PM

Submitted by:

Approved by:

Carol Wood, Secretary

Richard Hilfer, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
AUGUST 16, 2012
7:00 PM

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

Welcome & Comments – Richard Hilfer, President

Welcome

There will be an Executive Session following the Board Meeting to discuss personnel issues.

In Attendance: Richard Hilfer, Ross Anderson, John Garrett, John Hanks, Penny Jensen, Mike Smith, Carol Wood

Action on Minutes: Carol Wood moved, Mike Smith seconded to approve the minutes of the Regular Board Meeting of July 12, 2012 - Passed 6/0

Carol Wood moved, John Hanks seconded to approved the minutes of the Special board Meeting of July 21, 2012 - Passed 6/0

Membership Report: Carol Wood

Bonnie Blossom and Leta (Fran) Ford purchased 191 S. Palmer from John and Mary Ann Leiper.

Daniel and JoEmily Nieuwsma purchased 291 Sunset Blvd from the Martin Family Trust.

Treasurer's Report: John Garrett

As of July 31, 2012 the Checking account total was -\$4,869.34; there was a total of five CD accounts totaling \$436,161.33; two Money Market accounts totaling \$110,489.75; special assessment of \$107,130.40; ; and two Petty Cash accounts totaling \$600.00; leaving a total of \$649,512.14 in cash and investments. **Accounts Receivable (not counting special assessment):** Accounts Receivable totaled \$16,665.44 including \$16,155.44 past due accounts, of which \$16,585.68 are over 90 days past due. **Special Assessment AR:** \$184,630.00 **Expense and Income Statement Review: As of July 31, 2012** General Operations were \$15,171.98 under budget; Water Operations were \$5,661.65 over budget; and the Marina was \$12,418.69 under budget.

Manager's Report: Art Burke

As a part of recent discussions related to the communities accounting needs, we have made the decision to explore a different model of how the different functions of accounts payable, accounts receivable, payroll and reporting work together. Our current process involves two separate offices handling different parts of our books and has not resulted in satisfactory results on a consistent basis. Models being explored include hiring a part-time, full charge bookkeeper that works in-house and contracting the full service out.

We are nearing the end of the process of recruiting for a new Office Assistant. The position was advertised, we received resumes, held interviews, conducted background checks and have made an offer to one of the applicants.

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The office staff is preparing a large mailing as a part of the Water Committee's development of a Wellhead Protection Plan. This mailing will be received by all residences within a set distance from the community wells in the Highlands. The documents provide information about ground water, preserving water quality and possible sources of contaminants.

The third and final lot mowing of the season is underway and should be completed by the end of the week. Follow up site visits will be conducted to determine if additional work is needed by individual property owners.

Being short one employee in the office has been a challenge over the last few weeks. As you can probably imagine these type of events make you realize the complexity of the operation for which you work. I have been fortunate to have the assistance of Dana Vischer and Ann Simpson to step in and do a great job of keeping everything running smoothly. Without them, I would be lost. Thanks Dana and Ann!

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

- Complaints of Scotch Broom and Poison Hemlock growing at various locations in the Colony.
- Complaint of dogs in off leash park area not being under their owner's control.
- Complaints of property maintenance at locations in the Colony and Village.
- Complaint concerning junk/unlicensed vehicle in the Colony.
- Complaint of fence over 8 feet tall in the Village.
- Complaint of hedge over 8 feet tall in the Village.
- Complaint of tree encroaching on property in the Village.
- Complaint of excessive noise in the Village.
- Dog barking complaint in the Village.

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

Information Items:

The Trustees asked the Manager to place a strongly worded article in the August newsletter directing members to maintain control of their pets while in the off leash area so as to avoid conflict with other members and the possibility of losing this area. The Trustees also asked the Manager to meet with the dog owners during an exercise program to remind them of the rules.

The Trustees directed the Manager to place the proposed amendment to Cape George rule MIS03 Board of Trustee Procedures in the September newsletter for member comment.

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BOARD OF TRUSTEES MEETING
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President Richard Hilfer announced that a Special Membership Meeting would be held on Wednesday, September 12, 7 pm to present information to the members regarding the recently approved reserve study. Representatives from Reserve Data Analysis will be facilitating the meeting and an information packet will be sent out to all members in advance of the meeting.

In response to a recent question about the requirement to install driveway aprons, the Trustees stated that the aprons serve to protect the edge of the community roads. As a part of the Building and Property Regulations this rule was voted on and approved by the entire membership.

The Trustees directed the Manager to work with the corporate attorney on drafting a strongly worded letter to members with overdue accounts and to explore additional actions on recovering overdue funds.

Member Participation:

New Business Action Items:

Motion 1: Penny Jensen moved, John Garrett seconded to approve proposed Member Water Use Efficiency Goals - Passed 6/0

Motion 2: John Hanks moved, Carol Wood seconded to approve all Committee Chairs and the members of the Building, Finance, Roads and Water Committees as amended – Passed 6/0

Motion 3: Carol Wood moved, John Hanks seconded to approve the member request for the Safeway Pharmacist and staff to provide flu shot and pneumonia vaccine service to Cape George residents on Tuesday, September 18th from 10:00 a.m. to 12:30 p.m. in the Clubhouse - Passed 6/0

Motion 4: Michael Smith moved, John Garrett seconded to retain the services of Cagianut and Company as the auditor and tax preparer for fiscal year 2012 - Passed 6/0

Motion 5: Penny Jensen moved, John Garrett seconded to approve acquiring flood insurance for the Clubhouse and Workshop. This motion was withdrawn so that additional coverage information could be obtained.

Motion 6: John Hanks moved, Penny Jensen seconded to allow the Manager to initiate preliminary discussions with East Jefferson Fire Rescue Chief Gordon Pomeroy to provide a dedicated slip with power in the Marina for the fire boat *Volunteer* - Passed 6/0

Motion 7: John Garrett moved, John Hanks seconded that a resolution to transfer \$4,048.28 from Marina Reserves to General Investments Account for dock float replacement project be approved - Passed 6/0

Motion 8: John Garrett moved, Carol Wood seconded that a resolution to transfer \$1,145.79 from Marina Reserves to General Investments Account for Seawall Replacement Project and \$3,437.35 from Special Assessment Account to General Investment Account be approved - Passed 6/0

Motion 9: John Hanks moved, Mike Smith seconded that a member's request for a Due Date Adjustment be approved - Passed 6/0

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
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Open Board Discussion:

The Board of Trustees thanked:

- a. Gail Krentzman and her Ad Hoc Committee for the work in planning, raising funds and having the sport court built
- b. The Marina Committee and Social Club for sponsoring the Marina Day activities
- c. Robin Scherting for her 13 years of service on the Board.

Announcements:

Study Session-- September 11, 3:00 PM

Special Membership Meeting--September 12, 7:00 PM

Board Meeting-- September 13, 7:00 PM

Motion10: John Hanks moved, Ross Anderson seconded to adjourn to an Executive Session to discuss a personnel issue at 7:45 pm. Passed 6/0

Discussions at the Executive Session are confidential

Motion 11: Carol Wood moved, Ross Anderson seconded to adjourn the Executive Session and resume the Regular Board Meeting at 8:05 pm. Passed 6/0

Adjournment: Mike Smith moved, Ross Anderson seconded to adjourn the Regular Board Meeting at 8:10 pm. Passed 6/0

Submitted by:

Approved by:

Carol Wood, Secretary

Richard Hilfer, President

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COMMITTEE REPORTS RECEIVED BY THE BOARD OF TRUSTEES

BUILDING COMMITTEE

Building Permits Issued:

Wei Zhou: 130 Johnson Ave - build a house

Bob & Dianna Denny: 200 Dennis Blvd - build a deck

Earthworks Permits Issued:

Wei Zhou: 130 Johnson Ave - excavate for house foundation

Raleigh W Ballou: 50 Hemlock Dr - install a curtain drain

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Robert Earl: 320 Dennis Blvd – work on drainfield

Steve Treacy: 101 S Palmer Dr – concrete driveway

Driveway Connection Permits Issued:

Wayne Albright: 273 Johnson Ave

Michael Conley: 251 Saddle Dr

Paul Frederick: 31 Magnolia Ave

Stone Spicer: 31 Maxwell Ave

Tim Littleton: 290 N Palmer Ave

Joel Finlay: 110 Spruce Dr

Charles Karl: 61 Pine Dr

Robert Powers: 64 Pine Dr

Ann E Hueter: 130 Coleman Dr

Tom Dannenfelser Estate: 290 Coleman Dr

Wei Zhou: 130 Johnson Ave

Brad Seamans: 40 Quilcene Pl

Vernon Barnett: 90 Spruce Dr

FINANCE COMMITTEE

Finance Committee held its regular monthly meeting on Monday, July 16, 2012, 9:30am at the Clubhouse. Present were B. Barnhart, J. Harrington and K. Krug. Also attending was A. Burke, Manager.

1. Updates
 - a. Finance related topics – July Board actions:
 - i. A tab has been added to the CGCC website for fees and charges (based on discussion at the Study Session)
 - ii. Approved change to Marina fees
 - iii. Rescinded April motion to authorize Seawall task force to spend up to \$,8000 for various items (see 1.vi below)

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- iv. Authorized N Seawall task force to spend up to \$10,000 for engineering costs related to the N Seawall project and \$10,000 related to soil sampling/drilling related to the N Seawall project.
- b. Previous open financial statement issues –
 - i. Special Assessment AR – continues to be a topic of considerable discussion by the Committee.
 - ii. The work on lot mow income/receivable has been completed and verified with only one or two minor exceptions.
- 2. June 2012 financials
 - a. Formal statements – emailed 07/07/2012
 - i. Special Assessment/Cash equation is out of balance by nearly \$9,800. Workpaper distributed showing movement of SA and general receivables from June 2011 to June 2012 and explainable and unexplainable variances.
 - ii. June statements also contain a number of other minor issues related to incorrect, inconsistent or unclear coding and/or presentation.
 - iii. Three emails from Chair to Committee detailing issues dated July 07, July 13 and July 19. The memos are not attached but are available.
 - iv. Meeting with Clarity and CG personnel on 07/16/12 to discuss statement issues;
 - v. **CORRECTED FINANCIAL STATEMENTS ISSUED ON JULY 19, 2012.**
 - 1. While there are still minor issues to be resolved, the statements do fairly present, in all material aspects, the results of operations and the financial position as of June 30, 2012.
- 3. Audit selection process
 - a. Only two responses received related to selection of an external auditor
 - i. Joseph Vandal – our existing auditor. Did not address any of the RFP items.
 - 1. Leaves the impression that 2002 fiscal year change was recent;
 - 2. Also stated there had been “...about 40 emails,” and that was responsible for delaying the audit. Only five (5) were sent all asking for status information.
 - ii. C&C – a thirteen member CPA firm specializing in audit and accounting issues for CIRAs (common interest realty associations).
 - 1. Provided a thorough response that addresses all RFP issues.
 - 2. Provided samples of their document and engagement letter requests.
 - 3. They raised questions related to prior year tax and asset information.
 - 4. References will be checked and answers to several additional minor questions will be obtained.
 - 5. C&C currently has 300 audit clients; provides accounting related services to about 550 associations. They are based in Bellevue, WA.
- b. The Committee, under separate cover, will recommend to the Board that C&C be retained for the 2012 audit and tax return. This recommendation of course assumes that no adverse information is obtained from the references.

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4. Reserve study update
 - a. The draft executive summary memo has not been updated since last meeting. The memo will be edited prior to distribution.
 - b. It is anticipated that Reserve related material will be ready to submit to the Board sometime in late July or early August.
5. Other business
 - a. Per the request of the Board, G. Semick had obtained additional insurance quotes for flood insurance to cover the Clubhouse and the Workshop. She also updated the comparative insurance pricing spreadsheet.
 - i. After considerable discussion concerning cost and benefit, the Committee will forward the additional information to the Board WITHOUT recommendation.
 - b. There was a discussion of selecting a new chair for the coming year. The Committee felt the current arrangement should continue.
 - c. There was discussion of recruitment of additional members and it will be placed on the August agenda.
 - d. There was also discussion regarding a change of meeting date/time as well as venue for the coming year. This too will be placed on the August agenda.

The meeting was adjourned. The next regularly scheduled meeting will be held on August 20, 2012 at 9:30am in the OFFICE CONFERENCE ROOM. (NOTE CHANGE OF VENUE).

MARINA COMMITTEE

The last twelve months have brought change to the Marina Committee related to leadership and how we do things. Harbormaster, Charlie Boulay stepped aside leaving a vacuum that needing to be filled. Recognizing the complex and diverse duties of the Harbormaster, the Committee created the second position of Marina Committee Chair. These two individuals have specified duties spelled out in the new Marina Committee charter that was approved by the Board of Trustees on July 12, 2012. Presently, Mac McDonald serves as acting Harbormaster and Tom Ramsey serves as acting Marina Committee Chair.

Historically, the Marina Committee had been charged with maintaining the community workshop, repairing and replacing tools. Members of the non-boating community wanted a greater presence and say in the maintenance and operation of the workshop. We now have a stand-alone Community Workshop Committee with their charter also being approved by the Board of Trustees on July 12, 2012. The Marina Committee will coordinate with the Workshop Committee on a as-needed basis.

The on-going dock float replacement program is approximately 65% complete. There are a remaining 135 float assemblies remaining to be installed. The Marina Committee can install 42 to 50 assemblies a year. A new stainless steel fish and crab cleaning station was installed at the South end of the Marina

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which should last for many years. New stainless steel dock ladders were installed on the Marina, replacing, what was felt to be inadequate and unsafe existing ladders. New life rings and enclosures are currently being planned for. A 12-inch compound miter saw was also purchased since the existing one lacked necessary safety features. The ladders, life rings, and miter saw were/are paid for by Marina fundraising monies which are a result of the annual Marina sale, which raised in excess of \$1700 in 2012.

Marina Committee members performed annual housekeeping task that include: pressure washing docks; re-numbering boat slips; finalizing the replacement of boat cleats, replacing structural supports, and small dock repairs to numerous to mention.

The Marina Committee is hosting a BBQ in conjunction with the Annual Cape George Regatta on August 11, 2012. All Cape George members and Cape George staff are invited to attend. The committee will provide wine, beer, salads and dessert with members providing their own protein to burn. This is the first year the Committee has hosted such an event and we're hoping it is a success. We'll ask everyone to sign up in the office in order to determine food and beverage quantities.

WATER

The meeting was held at 5 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water Manager; Larry Southwick, Committee Chair; Committee members Scott James, Ed Skowrya and Thad Bickling.

1. The primary discussion was regarding Dept. of Health (DOH) comments on the draft Water System Plan (WSP) based on a letter from Bob Leach, NTI, dated July 19. We had also received DOH comments via email on July 24. All 45 comments must be addressed and corrections made in a way that DOH can clearly see the response. That updated draft WSP must then be submitted to the Board for adoption by resolution before it is re-submitted to DOH along with the signed resolution and signed Board minutes. DOH will not approve the WSP until after it has been formally adopted by the Board and the documentation is submitted.

There are a number of detailed comments relative to policy matters in the draft WSP that must be adopted by the Board and the question was just how and when to do that. Our intent is to have all of those items clearly identified in the updated draft WSP and then have the Board adopt that draft by resolution which would then make those items adopted policy by incorporation. That is preferred over passing a resolution with a series of policy statements that may or may not always be consistent with the WSP. We need to confirm with DOH if that would be acceptable. We would also need to make it clear in the resolution the intent to formally adopt the policies and requirements stated in the WSP to make them enforceable. For example, comment 25 refers to Appendix N – Rules and Regulations, and asks for a signed copy. Presumably, they were adopted at some time in the past but we don't have a signed copy. The signed resolution and signed Board minutes adopting the entire WSP should suffice rather than taking separate action to adopt and sign the Rules and Regulations.

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We went through the list of comments and addressed most of them with assignments to carry out the requested corrections. Some will be addressed directly by Bob and the others by Art, Greg or members of the Committee. The responses all need to be submitted to Bob to incorporate into the updated WSP for adoption by the Board and then re-submittal to DOH.

2. Bill Clarke has requested additional information about our actual water use with regard to the on-going discussion with the Dept. of Ecology (DOE) over water rights.

3. Art reported that he recently had to shut off water service to six residences for non-payment. All are unoccupied for various reasons. We also need to file liens on them as they go through foreclosure or sale. There were originally ten that were given notice. Two were occupied by renters that were not aware of the non-payment but that triggered payment by the owners. The other two were unoccupied but they did pay up.

The next meeting will be on September 4, 2012 at 5 pm at the Office.

WORKSHOP

The meeting was held at 9:00 AM August 1, 2012 at the Cape George Workshop.

The following attended Art Burke, Manager, John Hanks, Board Liaison, Ken Owens Chair Committee members, Scott James, Brian Ritchie, Bill Stull, Paul H., Carl Schwersinske ,Bob Skoien

Decisions made at meeting

1. We will hold a workshop committee meeting on the first Wednesday of the month at 9:00 AM in the Cape George Community Workshop.

2. We will hold a workshop work session every Wednesday of the month other than the first Wednesday of the month starting at 9:00 AM in the Cape George Community Workshop.

3. The Cape George Community Workshop is defined as all area accessed by the key card.

4. We will take an inventory of the Cape George Community Workshop task assigned to Scott James.

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5. Bill Stull will work on Workshop promotion

6. Art Burke will work on Workshop rules and budget.

7. Carl will work on a plan to stabilize the existing Workshop structure.

Discussed at meeting no decision made

1. Non Marina specific community workshop utilities will paid for by the Cape George Community.

2. Non Marina specific tools will be paid for by the Cape George community

3. Non Marina specific consumables will be paid for by the Cape george Community.

4. Marina specific tools and consumables will be kept under lock and key by the Marina.

5. Should we have a user fee for the use of the shop?

6. Should we have shop user projects to promote the shop?

7. Improved shop signage

8. Identify and repair broken and damaged equipment.

9. Paint the interior of the shop.

10. Improve the lighting in the shop.

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11. Form a review committee for shop donations.
12. Purchase plug lockouts for damaged equipment.
13. If a shop project will take more than a day to complete the project should be identified as to who owns the project, contact information and estimated date of completion.
14. Do we need to re certify members allowed access to the workshop?
15. Should we allow younger family members under adult supervision in the Community Workshop?
16. Promote safety in the Workshop.
17. Workshop organization.

SEAWALL TASK FORCE

The meeting was held on July 31st, 2012 in the Clubhouse

Cape George Seawall Task Force Members:

Bruce Candioto, Chair	379- 2563	brucandi@cablespeed.com
John Hanks	379- 6572	johnthanks@q.com
Paul Happel	379- 9119	paul_happel_9@msn.com
Gary Rossow	531- 2737	rossowgary@yahoo.com
Mike Heckinger	206- 459- 2233	mike@wcinsulation.com
Dick Poole	379- 4173	poolericharde@msn.com
Ben Fellows	379- 4109	fellowsship@olypen.com

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
AUGUST 16, 2012
7:00 PM

Meeting called to order at 11AM by Bruce. All present except Paul. Tike Hillman, Richard Hilfer and Mike Szramek were also present.

Minutes of our June 29th meeting were approved. Dick Poole volunteered to take minutes at our next meeting.

Mike Szramek, principal engineer for MC Squared, presented his preliminary design approaches to the seawall replacement project. (See attached sketch)

The first option is for a sheet pile only wall, located 2-3ft seaward of the existing wall, with a concrete cap using "PZ35" 5/8" steel sheet piling 15' above the water and driven to approximately 30' below the water.

The second option is for a "PZ 22" steel sheet piling with deadman support. This piling would only be driven approximately 12' below water and be a lighter weight material with the lateral load supported by a poured concrete deadman set back approximately 16ft.

Both options would have a design life of 40-50 years. There was discussion of painted vs. galvanized, galvanic corrosion and wall height to protect from storm surge. All carry tradeoffs with cost of materials. The decision on which option to pursue will be made after further design review and cost analysis.

Next steps:

Mike will supply drawings suitable for permit applications by the end of August.

Tike will prepare a preliminary cost analysis for budgeting purposes by the end of Sept.

The goal for permit application filing is November 1st with Gary Rossow preparing the JARPA draft for task force review by October.

The construction time frame goal is fall 2013 assuming permits are obtained in one year.

Interim steps: There was discussion of a member's suggestion to dig out behind the existing wall to relieve lateral pressure. It was concluded that this would not be undertaken, except to remove the rockpile sitting adjacent to the north wall.

Next meetings: The committee will meet at 1PM, Friday September 7th to review further work products from MC Squared and another meeting is scheduled for Friday October 5th.

Prepared by Gary Rossow 8/6/12

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
SEPTEMBER 13, 2012
7:00 PM

Call to Order: President Richard Hilfer called the meeting to order at 7:00 PM

Welcome & Comments – Richard Hilfer, President

Welcome

Seawall Project Status

In Attendance: Richard Hilfer, Ross Anderson, John Garrett, Penny Jensen, Mike Smith, Carol Wood.
Mike Smith left at 8:00 prior to motion voting.

Absent: John Hanks

Action on Minutes: Carol Wood moved, Mike Smith seconded to approve the minutes of the Regular Board Meeting of August 16, 2012. Passed 5/0

Membership Report: Carol Wood

No new members were reported for this month.

Treasurer's Report: John Garrett

TREASURER'S REPORT
As of August 31, 2012

- 1 Total cash and investments at month end were

\$598,981

That amount is comprised of

General checking
of

12,124

General savings of

38,638

Two petty cash accounts of

600

and CDs and Money Markets totaling

547,619

You will note that the negative balance in the General Operations checking account I reported on in July has been corrected.

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

General Reserves

\$124,913

Special

Assessment

113,289

Water Reserves

199,679

Marina Reserves

109,737

NO

new financial accounts have been opened since last month.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
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3	Regular accounts receivables, net of allowances are	\$10,860
	Receivables over 90 days, net of allowances are	6,668

The Special Assessment Receivable outstanding is	175,639
--	----------------

The processes outlined in the new FIN03 policy are now in place and more assertive actions are being taken with assistance from CGCC's attorney.

4

Year-to-date total net Revenue and Expenses (Net Income) are			\$22,234
<div>FAVORABLE</div> compared to budget. By cost center the amounts are:			
General operations are	Favorable	by	14,519
Water operations are	Unfavorable	by	6,158
Marina operations are	Favorable	by	12,778
Reserve interest income	Favorable	by	1,095

Despite overages in several areas like legal and contract services, it is still expected that each cost center will finish the year near original budget expectations.

Delivered 09/13/2012

Manager's Report: Art Burke

We have completed the evaluation of the corporation's needs for bookkeeping services and have moved forward with the hiring of a part-time, full charge bookkeeper. We are looking toward a controlled transition of duties over the next few months to allow the new person to be brought up to full responsibilities. Thank you to Finance Committee Chair Karen Krug for her assistance and guidance in making a challenging decision on the best direction and best candidate for the job.

Repairs were made to the following pieces of equipment:

- Swimming pool heat pump
- Swimming pool changing room water heater
- Craftsman riding lawn mower
- Tank farm pump valve
- Marina Drive automatic gate

The office staff completed the redesign and printing of a Wellhead Protection Plan mailing. This plan is required by the Federal Safe Drinking Water Act and administered by the Washington State Department of Health. The mailing is sent out to approximately 130 members and neighbors whose residences fall within a set distance of the community wells. The information included in the mailing is a part of a public education program identifying potential sources of groundwater contamination that are often caused by homeowners. This mailing is sent out every two years.

CAPE GEORGE COLONY CLUB
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Efforts are underway to work with the corporation's attorney to collect on overdue accounts. A direct mailing is being sent out to some of the accounts detailing the next steps that will be taken to bring the accounts current. Other efforts include taking additional steps to locate members who have not responded to normal mailings and filing liens on some properties.

I have been working side-by-side with the Building Committee on the review and revising of the Building and Property Regulations. Much of our work has involved determining whether there are any inconsistencies in terminology, correcting these inconsistencies, looking for rules that appear on our forms but not in the regulations and making those additions, and simply rewriting sections for clarity.

The 2013 budget planning is underway and will likely continue over the next 6 weeks. Committees have been contacted and will be providing input during the development phase. Drafts will begin to appear in the next week to begin the review process.

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

- Complaints of property maintenance at locations in the Colony and Village.
- Complaint of exterior lighting in the Colony and Village.
- Complaints of dog off leash in the Village and Highlands.
- Complaint of dogs barking in the Colony.

Committee Reports: The following committee reports were submitted to the Board of Trustees – Finance, Marina, Seawall, Water and Workshop Committees submitted written reports. The Nominating and Environmental Committees submitted oral reports. These reports are attached to these minutes and incorporated by reference.

Information Items:

- A. The Trustees reviewed the first draft of the proposed revisions to the Building and Property Regulations as submitted by the Building Committee. Amendments were suggested by the Trustees and an updated draft will be presented at the October Study Session. If approved the revised document will then be presented for approval to the membership at the end of year.
- B. The Manager provided updates concerning letters sent by the corporation's attorney to recover outstanding accounts. Thus far 50% of the accounts contacted have been brought current. Additional steps were being taken to locate a member with an inactive address. Additional steps will be discussed with the attorney to further secure the corporations owed fees and assessments.
- C. Trustee Penny Jensen will be gathering additional information concerning flood insurance for the Clubhouse and Workshop and presenting it at the October Study Session for further review.

Member Participation and Open Board Discussion:

Reserve Assessments and timelines were discussed. It was decided a Special Board Meeting will be held Wednesday, September 19th at 7 p.m. to discuss the reserve funding plan.

New Business Action Items:

Motion 1: Penny Jensen moved, John Garrett seconded to approve proposed changes to MIS03 Board of trustee Procedures pertaining to Trustee roles as Committee Liaison as published in the September newsletter. – Passed 4/0.

Motion 2: Carol Wood moved, Penny Jensen seconded to approve proposed changes to MIS01 Election

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Procedures pertaining to the timing of presenting a slate of officers to the Trustees as published in the September newsletter. – Passed 4/0

Motion 3: Ross Anderson moved, John Garrett seconded to adopt all elements of the Water System Plan as submitted to the Washington State Department of Ecology. – Passed 4/0.

Motion 4: John Garrett moved, Carol Wood seconded that a resolution be approved to transfer \$541.87 from Marina Reserves to General Investments Account and \$1625.63 from Special Assessment Account to General Investment Account for the Seawall Replacement Project. – Passed 4/0

Information Item: Procedures for recording changes to the Bylaws and Building and Property Regulations were discussed. It was decided no motion was required for this policy change.

Information Item: Inconsistencies and redundancy in the Treasurer and staff responsibilities were discussed. The Finance Committee, Manager and Treasurer will review these policies in January. No motion was presented.

Motion 5: Ross Anderson moved, John Garrett seconded to approve 2 members request for a Due Date Adjustment. – Passed 4/0

Announcements:

Special Membership Meeting — September 19, 7:00 PM

Study Session—October 9, 3:00 PM

Board Meeting -- October 11, 7:00 PM

Adjournment: Penny Jensen moved, John Garrett, seconded to adjourn the Regular Board Meeting at 8:15 pm. Passed 4/0

Submitted by:

Approved by:

Carol Wood, Secretary

Richard Hilfer, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
SEPTEMBER 13, 2012
7:00 PM

COMMITTEE REPORTS RECEIVED BY THE BOARD OF TRUSTEES

ENVIRONMENTAL COMMITTEE

Attendance – Phyllis Ballough, Pat Hartman, Penny Jensen, and Kitty Rucker,

Approval of Minutes – Minutes were unanimously approved.

Budget Report – The office printout said that we now have \$1554.31, but this can't be correct. The budget for May 31 was \$1566.26. We spent \$150 for the Beach Walk, but we also made almost \$300 for the Beach Dance. We should have close to \$2000 now. I called Art and he is checking to see what the error is. (Sharon found the error. We deposited \$266.60 to our account on July 12. That brings our total now to **\$1820.91**.) Much better!!!

Old Business

- A. Report on Beach Walk – Pat. We had about 30 people in attendance. The Marine Science presenters were very good, and everyone seemed to have enjoyed the event. Kitty sent out a thank you to the Marine Science Center.
- B. Beach Preservation Dance Report – It was a blast. Jan Stone was so kind to provide music and everyone had a really good time. We made almost \$500 on the event. Several donations came in after the event from people who had read about it and wanted to contribute.
- C. Election of Chairperson – Kitty has agreed to chair the committee for the next 4 months. It was suggested that people weren't coming to the meetings because they were afraid that they might be pressured into being chairperson.
- D. Beach Watcher Presentation – Betty was not at the meeting to present her idea.

New Business

- A. Welcomed Penny Jenson as Board Representative to Environmental Committee She will make a wonderful contact with the Board. She is full of good ideas.
- B. Concern over lack of attendance at our recent meetings.
 - 1. Reasons were discussed – people being busy with other activities, people not coming because of fear of being pressured to be chair with that on the agenda, lack of interest in projects.
 - 2. What to do – We plan to have a big meeting on Oct. 16, to discuss our big project for this year will be Beach Erosion. We will invite a representative of the Marina Committee, the Sea Wall Committee, the Pool Committee, the Fitness Committee, and the Social Committee. These committees would all be affected by the erosion of the beach. The purpose of the meeting is to discuss the flooding that has occurred and to look at common solutions that we can all support.
 - 3. Kitty will call all of our committee members and personally ask them to attend. Phyllis offered to help call.
 - 4. Penny will ask someone to come from the Marina Committee. Phyllis will ask someone to come from the Fitness Committee. Kitty will contact the Sea Wall Committee, the Pool Committee, and the Social Committee.
 - 5. Kitty will attend the next Social committee Meeting and the next Marina Committee meeting.
- C. Future Plans for Beach Preservation – See above

CAPE GEORGE COLONY CLUB
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D. Projects for 2012-13 – Tabled until more members are present.

E. Begin Budget Preparation for 2013 – We need \$150 for the Beach Walk and we will Table other budget items until more members are present.

NOTE: The next meeting will be held Tuesday, October 16, at 9:30 A.M., in the Clubhouse. There will be no meeting October 8, because Kitty will be out of town.

FINANCE COMMITTEE

August 2012 Notes

(Two pages plus attachment)

Finance Committee held its regular monthly meeting on Monday, August 20, 2012, 9:30am in the upstairs Conference Room at the Office. Present were B. Barnhart, J. Harrington, G. Semick and K. Krug. Also attending was A. Burke, Manager and J. Garrett, Treasurer.

1. Updates

- a. An update was provided on all August Board having financial implications.
 - i. There was a brief comment regarding the changes to the National Flood Insurance program that was signed into law on July 6, 2012 and the definitions of “flood” and “erosion caused by flood” per the NFIP.
- b. Previous open financial statement issues included the 2011 Formal Cost Center level reconciliation to the 2011 audited financial statements. There were no questions or discussion of the material which had been emailed on 08/08/2012.

2. July 2012 financials, along with initial issues and observations and trended material had been emailed on 08/11/2012. Items given special mentioned included:

- a. The negative checking account balance;
- b. A slight (\$352) variance between the subsidiary receivable report and the balance sheet;
- c. The status of approvals for Well #8 (still pending);
- d. The use of the account “Legal A/R” which should be discontinued; and
- e. The variance in contract services – Water which was mostly related to the services of NTI in obtaining approvals for our Water System Plan.

3. Reserve - Reserve Study(ies) – no additional material was emailed or distributed

- i. The Manager outlined the next steps being taken by the Board related to dissemination of the new reserve study(ies) and briefly discussed the September meeting to be facilitated by RDA. That meeting is scheduled for 09/12/2012 and written material will be mailed to the entire community before the meeting.
- ii. The first read for a change to the Section VIII of the By-laws, “Budgets” was distributed. This change basically incorporated the new RCW language regarding disclosure into that section.
 1. A discussion ensued regarding inclusion of that material as well as inclusion of several other new RCW reserve sections.
 2. The additional material will be incorporated prior to FINCOM’s

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

second read of the changes advised due to the new RCWs.

3. FINCOM will not propose changes to FIN02 or FIN04 until after the Board and general membership reach agreement on how to proceed with the new RCW requirements and any resultant funding changes.
4. Other business
 - a. Full charge bookkeeper position was discussed and it was later clarified that the position was anticipated at 20 hours per week.
 - i. There was discussion concerning separation of duties including what was and was not possible in a small organization and the risks of a full charge individual versus the risks that have existed over the past several years (no real difference). The August 2012 issue of the AICPA Journal is focused on theft and embezzlement. A copy of the cover is attached.
 - ii. The process and next steps were outlined including the date for interviews.
 - b. Committee membership - The desire to add additional members was discussed. Existing members will contact several suggested individuals and a request for members will be placed in an up-coming newsletter.
 - c. Standing meeting date change – The committee's future standing meeting date and time was discussed. After some discussion the group determined that the third Monday of the month would stay as the regular meeting.
 - d. A member had asked for information regarding the number of "Due Date Adjustments" as it seemed the number was growing.
 - i. Information provided by the Manager indicated that the total number varies little with the current count at seven. Some members drop off, other occasionally get added and still others renew each trimester.
 - e. There was also brief comment from the Manager regarding his recent meetings with legal counsel and processes for debt collection and filing of liens.

The next meeting will be on Monday, September 17, 2012 at 9:30 in the upstairs conference room at the office.

MARINA COMMITTEE

September 4, 2012

There were 14 members present, including Manager Art Burke.

Marina fees were discussed for 2013. It was felt that fees would remain the same with the exception of Guest moorage. Cape George non-marina members would pay \$8/day, down from \$15/day to use the Marina facilities. Manager Art Burke stated that he would like preliminary Marina budget numbers by the end of September.

Harbormaster, Mike McDonald stated that there were a number of unidentified kayaks and canoes being stored in the racks at the Marina. The consensus was that we could not take any remedial action until 2013, when new stickers would be issued upon payment of storage fees. If the canoe or kayak lacked a sticker, it would be locked-up in the barn for an indefinite period.

Ben Fellows pointed out that there were several boats that probably never left the Marina during boating season, and that the rule stating that a boat must be used is unenforceable. The intent of this rule was to free up moorage space for those members who intended to be active boaters/sailors. It was decided that

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the Harbormaster would refer those individuals, just taking up space to the Manager, who could then refer to the Board if necessary.

The Committee voted 13 for and 1 against not putting another freezer for the purpose of crab bait storage in the Community workshop. Past experience resulted in a lot of old smelly bait and not being defrosted in a timely manner. It was also pointed out that it would cost the community several hundred dollars a year to operate. It was acknowledged that the Marina Committee is no longer in charge of the workshop, but is on record as being against the freezer.

There was a lively discussion regarding how the new way of funding reserves would impact the monies ear-marked for replacement of the North seawall. One member was particularly concerned because of the way it was explained in the Newsletter.

NOMINATING COMMITTEE

The Nominating Committee requested that an article be published in the upcoming newsletter requesting new volunteers.

SEAWALL TASK FORCE

Cape George Seawall Task Force Members:

Bruce Candioto, Chair	379-2563	brucandi@cablespeed.com
Ben Fellows	379-4109	fellowsship@olypen.com
Dick Poole	379-4173	poolericharde@msn.com
Gary Rossow	531-2737	rossowgary@yahoo.com
John hanks	379-6572	johnthanks@q.com
Mike Heckinger	206-459-2233	mike@wcinsulation.com
Paul Happel	379-9119	paul_happel_9@msn.com

Meeting called to order at 1 PM by Bruce. All present except Mike. Tike Hillman consultant also was not in attendance. The meeting was also attended by Richard Hilfer, Bob Holtz, Scott James, Karen Krug, Bill Coulter, Jim and Joanne Barr and Art Burke.

Minutes of the last meeting were approved. John Hanks volunteered to take minutes of our next meeting.

The Committee reviewed the drawings from MC Squared. It was noted there are a number of errors or omissions in the Project Information, top sheet page 1.

- The applicant /owner is listed as Cape George Colony Club Marina Association, the correct listing should drop the Marina Association.
- The Body of Water is listed as Puget Sound, correction should be Discovery Bay
- The Legal description is missing

Question surrounding the actual drawing were the following:

- On sheet 2 the drawings, the West section of the wall where it curves into the Marina, shows piling side by side where in fact the North wall the pilings are 4 ft apart.
- In discussions with Tike he advised this area would be tapered back with rock rather than sheet piling, this needs clarification.

**CAPE GEORGE COLONY CLUB
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7:00 PM**

- Question concerning the concrete cap on the sheet piling. What is its purpose, is it structural or esthetic, how is it placed on the sheet piling, is it poured or prefab?

Gary stated he would like to begin preparing the application to the various agencies as soon as possible. He will need clarification of the questions above before he can start. In the applications there were a number of items besides the retaining wall that will be covered to include:

- Annual dredging permit
- Raise the North jetty wall
- Sediment bypass
- Dredging shoal area in the interior of the Marina
- Dock maintenance

Bob Holtz asked if he could call Tike Hillman with a few question, and the committee agreed

The next meeting is scheduled for Oct 5 2012 at 1 PM

Meeting was adjourned.

WATER COMMITTEE

The meeting was held September 4, 2012 at 5 pm at the Office. The following attended: Art Burke, Manager; Mike Smith, Board Liaison; Greg Rae, Water System Manager; Larry Southwick, Committee Chair; members Scott James, Ed Skowyra, and Stewart Pugh.

1. The primary discussion was regarding Dept. of Health (DOH) comments on the draft Water System Plan (WSP). Bob Leach, NTI, will review the responses that have been prepared so far and list the items that still need to be done, then make assignments. Ed recommended that we proceed with taking the draft plan as is to the Board for formal adoption because that is a requirement from DOH before they will approve the plan. It could be taken back to the Board after DOH approval for re-adoption of the final plan. It would just delay the re-submittal if we wait until after making all the final edits to go to the Board.
2. Bill Clarke has requested additional information about our actual water use with regard to the on-going discussion with the Dept. of Ecology (DOE) over water rights. Ed recently developed an analysis of the water meter reading data from 2006 – 2010 and projects that our build out requirement for water rights is over 214 acre-feet per year. That analysis/data needs to be forwarded now to Bill.
3. Ed recommended that we submit the plans and information regarding the new well directly to DOH instead of having it in and being delayed by the WSP process. We need DOH approval of the new well before we can connect it to the system. The primary thing about the DOH review is just the water quality data and that's good to go. The well is ready but is not yet plumbed into the system. It's just a matter of cutting it in to the supply including a meter, disconnecting the existing well, and building a pump house for it.
4. Stew reported on the current meter reading analysis. While it's great and useful data, he continues to run into some issues that need resolution. He'd like to ride around again with Donnie next week when he does the meter reading to see if there are some things that need to be done with the data input as it happens in the field. For example, Donnie has to

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read some of the meters manually and he needs to see if that can be resolved. It may just be a matter of how the account is set up in the system. There are also some mis-matches of accounts versus usage that need to be resolved. That may be due to meter change outs. In this latest data, there are 82 meters that show less than 30 gallons per day over the month due to vacancy, part-time residents or just very low use by residents. In some vacant residences, that is just due to the water softeners running a cycle periodically.

The next meeting will be on October 2, 2012 at 5 pm at the Office.

WORKSHOP COMMITTEE

Cape George Monthly Workshop Meeting

September 5, 2012 Meeting Notes

The meeting was held on the first Wednesday of the month at 9:00 AM September 5, 2012 in the Cape George Workshop.

The following attended Art Burke, Manager, John Hanks, Board Liaison, Ken Owens, Chair, Committee members, Scott James, Brian Ritchie, Ron Niccoli, Paul Happel, Carl Schwersinske, Bob Skoien, and Jack Scherting

Decisions Made at meeting

1. Non Marina specific community workshop utilities will be paid for by the Cape George Community. This will be reflected in the 2013 budget.
2. Non Marina specific tools will be paid for by the Cape George community. This will be reflected in the 2013 budget.
3. Marina specific tools and consumables will be kept under lock and key by the Marina.
4. Improved shop signage. This will be an ongoing project with everybody involved
5. Identify and repair broken and damaged equipment. This task was assigned to John Hanks with everybody to provide assistance.
6. Paint the interior of the shop. This should happen in April or May prior to Carl's return and further stabilization of the shop.
7. Improve the lighting in the shop. This will be an ongoing project as light fixtures fail. we will experiment with 4 ft. fluorescent and compact fluorescents to determine cost effectiveness and light quality.
8. Purchase plug lockouts for damaged equipment. This was assigned to Art
9. If a shop project will take more than a day to complete the project should be identified as to who owns the project, contact information and estimated date of completion. Signage was assigned to John Hanks
10. Should we allow younger family members under adult supervision in the Community Workshop? We have an existing community rule requiring community members be 18 this rule will apply for now.
11. Promote safety in the Workshop. This will be an ongoing task everybody will be involved. we plan to purchase earplugs and safety glasses
12. Workshop organization. This will be a never ending project with EVERYONE using the workshop involved.

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13. We will continue to stabilize the workshop with Carl leading this effort the next scheduled work to take place in May 2013 with wall stabilization.

14. We will mark community tools in a color to be determined and it was suggested that marina specific tools be marked with a different color.

15. We will install a timer for the heat control in the shop.

16. We will work on the vacuum for the radial arm saw. This task assigned to Scott

17. Should we have shop user projects to promote the shop? Yes projects to be determined.

18. Form a review committee for shop donations? yes members to be determined.

Discussed at meeting no decision made

1. Should we have a user fee for the use of the shop?

2. Do we need to re certify members allowed access to the workshop?

3. Discussed space allocated for marina supplies and tools.

Thanks this month to

Marina work crew for shop cleanup and organization.

Carl and his crew for roof stabilization.

The Stull's for the new to us refrigerator.

The Skoien's for a computer, monitor and printer.

These are the things I know about my apologies for any missed items please let me know of any additions or corrections.

CAPE GEORGE COLONY CLUB
SPECIAL BOARD OF TRUSTEES MEETING
SEPTEMBER 19, 2012
7:00 PM

Welcome and Comments – Richard Hilfer, President

In Attendance: Richard Hilfer, John Hanks, Carol Wood, Ross Anderson, John Garrett, Penny Jensen

Open discussion of the Board's recommendation to the community on reserve funding plan

Motion 1: John Hanks moved, John Garrett seconded that the Board allow the manager to prepare 2013 budget including collection of the second half of the Marina Seawall Assessment. The Board will prepare a bylaw change including the concept of a dedicated reserve assessment which will be submitted to the Members for vote. Passed 5/0.

Adjournment: Carol Wood moved, Ross Anderson seconded to adjourn the Special Board Meeting. Passed 5/0.

Meeting Adjourned at 8:30 PM.

Submitted by:

Approved by:

Carol Wood, Secretary

Richard Hilfer, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 11, 2012
7:00 PM

President Richard Hilfer called the meeting to order at 7:05 PM

Welcome & Comments – Richard Hilfer, President

- A. Welcome
- B. Seawall project status
- C. An Executive Session to discuss personnel issues is planned at the conclusion of the Board Meeting
- D. A Special Budget Board Meeting is scheduled on October 18th at 3PM

In Attendance: Richard Hilfer, John Garrett, Carol Wood, Ross Anderson, Penny Jensen, Mike Smith

Action on Minutes: Carol Wood moved, Penny Jensen seconded to approve the minutes of the September 13, 2012 meeting. Passed 4/0

Carol Wood moved, John Garrett seconded to approve the minutes of the September 19, 2013 Special Board Meeting. Passed 4/0

Membership Report: Carol Wood

Terrance and Nina Furstenau	450 S Palmer
Charles and Christine Rogers	30 Dennis Blvd.
Sheri Fong	241 N Palmer

Treasurer's Report: John Garrett

TREASURER'S REPORT
As of September 30, 2012

1	Total cash and investments at month end were	\$668,496
	That amount is comprised of	
	General checking of	53,178
	General savings of	40,849
	Two petty cash accounts of	600
	and CDs and Money Markets totaling	573,869

Cash collections were very slightly slower in September than in the previous trimester periods but still proceeding favorably. Cash has increased over the prior month by about \$70,000; \$40,000 of that amount is in general checking and the remainder in the reserve fund CDs and money markets.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
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- 2 The CDs and Money Markets are primarily Reserve accounts and include:

General Reserves	\$125,020
Special Assessment	139,707
Water Reserves	199,849
Marina Reserves	109,293

NO	new financial accounts have been opened since last month.
The \$26,000 increase in the Special Assessment reserve is the result of the September trimester collections.	

- 3 Regular accounts receivables, net of allowances are
Receivables over 90 days, net of allowances are

\$35,685
5,901

There is \$28,584 in "current" receivables, i.e. receivables that were not yet over 30 days outstanding. It is expected that a large portion of that amount will be received within the first two weeks of October.

The Special Assessment Receivable outstanding is

\$143,856

The Special Assessment receivable is the primarily the balance due in 2013. There are some lots that have already paid their 2013 special.
--

- 4 Year-to-date total net Revenue and Expenses (Net Income) are

\$19,283

FAVORABLE compared to budget.

By cost center the variances are:

General operations are	Favorable	by	9,211
Water operations are	Unfavorable	by	3,735
Marina operations are	Favorable	by	6,974

Reserve interest income

Favorable	by	1,488
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The unfavorable performance in the Water cost center is largely related to excess water fees that are generally billed in December. In addition, contracted services for the Water System Plan are higher than anticipated.
Expense management for the next three months becomes crucial as there will only be incidental revenue generated during that period.

Delivered 10/11/2012

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 11, 2012
7:00 PM

Manager's Report: Art Burke

The 2013 budget planning is well underway and will continue over the next 2 weeks. Preliminary drafts have been prepared and will continue to be updated as comment and information is provided. Work has also begun on developing documents for the ballot package.

Work is underway to repair the window sills and side and top jambs at the swimming pool. Since their installation the steel corner beads have been rusting and discoloring the paint. The deteriorating steel corner beads have been replaced with plastic and will then have new dry wall mud and paint applied.

I attended the Community Association Institutes – Community Law Day in Tacoma on September 22nd. As always, there were great presentations by knowledgeable people on a variety of topics. Of particular interest was the presentation on reserve study disclosure requirements. A summary format was provided that we have modeled a draft of our own to follow. Washington State statute now requires us to provide this information to our members as a part of the annual budget.

Over the last several weeks we have been working with our tech support on further maintaining and updating our computers and network. This has resulted in replacing one of our workstations, replacing a router/modem and installing an Ethernet switch. Everything is running well and as anticipated.

Over the last several weeks our webmaster has upgraded the server and appearance of the Cape George website. You'll not only notice a new look to the website, but also a new appearance to our emails.

Based on community input during last month's Study Session, we have setup a link to a document that lists questions and comments on the reserve study. This document will be updated periodically as we receive additional material. Answers to questions will also start to appear on the website in the next couple of weeks.

We have been undertaking a couple of small renovation projects around the office to make the space more useful/livable. First, the upstairs bathroom is getting a facelift. If you've ever been in the upstairs bathroom, it was apparently designed for very short people. To close the door you have to duck and lean against the wall. We've removed the old tub and are preparing to replace some of the floor and wall surfaces. Second, we are purchasing some newer used furnishings for the Bookkeepers office to make it more usable for her needs.

The first annual flu vaccination scheduled for September 18th in the Clubhouse was a great success. Sixty seven of our members received vaccinations and will hopefully remain flu-free for the next several months.

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

- Complaints of property maintenance at locations in the Village.
- Complaint of exterior lighting in the Village.
- Complaints of dog off leash in the Highlands.
- Complaint of dogs barking in the Colony.

Committee Reports:

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

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 11, 2012
7:00 PM

Information Items:

The Trustees reviewed a first draft of a reserve disclosure format to be included with the 2013 budget package. After discussion it was decided that a cover page would be developed. Richard Hilfer, Ross Anderson and Art Burke will develop a draft cover page for review at the Special Board Meeting on October 18th.

Discussion item: The Board discussed a request from David Sullivan regarding limited use by non-members of the Cape George pool during the Port Townsend pool closure. After discussion, the Board decided to not move forward with this request.

Discussion item: The proposed Bylaw amendment regarding reserve assessment was deferred to the Special Budget meeting.

Member Participation

Opposition to the use of the Cape George Pool by non-members while the Port Townsend pool is repaired was stated and opposition to the language in the President's letter that indicated members had under paid reserves was stated.

New Business Action Items:

Motion 1: Ross Anderson moved and Mike Smith seconded a motion to approve proposed changes to Building and Property Regulations as recommended by the Building Committee and present to the membership for their vote in the November Budget Package. Mike Smith moved and Penny Jensen seconded to amend the motion to include stricken working in Sections 6.1 and 9.2 The amendment passed 5/0 and the motion passed 5/0.

Motion 2: Penny Jensen moved, Mike Smith seconded to approve National Flood Insurance Program coverage for the Clubhouse and Workshop. Passed 4/0/1 abstention

Motion 3: Mike Smith moved, Penny Jensen seconded to approve proposed 2013 Reserve Study project list. Passed 5/0

Motion 4: Penny Jensen moved and John Garrett seconded a Resolution to transfer \$148.75 from Marina Reserves to General Investments Account and \$446.25 from Special Assessment Account to General Investment Account for Seawall Replacement Project. Passed 5/0

Motion 5: Carol Wood moved, John Garrett seconded to approve six member requests for Due Date Adjustments. Passed 5/0

Open Board Discussion

Announcements:

Special Budget Board Meeting – October 18, 2013 3:00 PM

Study Session – November 13, 3:00 PM

Board Meeting – November 15, 7:00 PM

Motion 6: Penny Jensen moved, Carol Wood seconded to adjourn to an Executive Session to discuss personnel matters at 8:00 pm. Passed 5/0

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 11, 2012
7:00 PM

Discussions at the Executive Session are confidential

Motion 7: Carol Wood moved, Mike Smith seconded to adjourn the Executive Session and resume the Regular Board Meeting at 8:30 pm. Passed 5/0

Motion 8: Ross Anderson moved, John Garrett seconded to approve the following staff increases:

Donald Weathersby --- 5%, Sharon Mitchel--\$1.00 an hour, Art Burke—5%. Passed 5/0

Adjournment: Penny Smith moved, Ross Anderson seconded to adjourn the Regular Board Meeting at 8:35 pm. Passed 5/0

Submitted by:

Carol Wood, Secretary

Approved by:

Richard Hilfer, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 11, 2012
7:00 PM

COMMITTEE REPORTS

Building Committee Report

Building Permits Issues:

Mark Tallarico: 41 Hemlock, Village, build a playhouse
Karen Lull: 71 N Palmer, Colony, install a shed
George Bailey: 290 Dennis, Village, build a shed
Thad Bickling: 140 E Rhododendron, Colony, build a deck

Earthworks Permits Issued:

Bonnie Blossom & Fran Ford: 191 S Palmer, Colony, widen parking area & grade SE corner of lot
Darin Minor: 72 Alder, Village, create RV parking area

Driveway Connections issued:

Ken & Margaret Riggs: 241 Dennis, Village
David Riggs: 120 Ridge, Village
Darin Minor: 72 Alder, Village
Clay Walker: 251 Ridge, Village

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 11, 2012
7:00 PM

Cape George Emergency Preparedness Committee
Oct, 11, 2012 Board Report

Winter is coming and with it, winter storms. On Columbus Day, October 12, 1962, the worst wind storm in western Washington recorded history, hit the Olympic Peninsula with 110 mph straight-line winds. Thirty one people were killed, most highways were blocked and power was out for several weeks in some areas. Like all natural disasters, we can't prevent them, but we can be prepared to protect ourselves before, during and after the disaster.

It is easier to be prepared if you have advance warning. CG EPC urges all CG residents to buy and use a NOAA approved weather radio (we'll even help you set it up).

We urge all residents to sign up for NIXLE, a cell phone text and internet alerting system to receive warnings of impending or potential disasters affecting Jefferson County. To subscribe to NIXLE go to www.jeffcoec.org and click on the picture of the cell phone at the top of the page. Follow the directions to sign up and then respond to the text message or email they send you.

EPC provided training to the Cape George Neighborhood Responders in late July and again in late September. On Saturday morning, Oct 13, we will do a table top exercise for the Incident Management Team including the HAM radio operators. The scenario was developed by Nancy McDaniel, Deputy Director of Jefferson Co. EMD and we will be Beta testing it.

EPC continues to provide preparedness education to Cape George residents through the monthly newsletter and occasional presentations such as the one on house fires and live practice using a fire extinguisher.

We appreciate the Board's and members' support of CG preparedness activities . We can always use a few more volunteers.

Carolyn Salmon
Thad Bickling
Co-Chairs

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 11, 2012
7:00 PM

Finance Committee
September 2012 Notes

(Two pages plus attachment)

Finance Committee held its regular monthly meeting on Monday, September 17, 2012, 9:30am in the upstairs Conference Room at the Office. Present were J. Harrington, G. Semick and K. Krug. Also attending was A. Burke, Manager and J. Garrett, Treasurer.

1. Updates
 - a. An update was provided on September Board actions having financial implications.
 - i. It was stated that Finance Committee had been volunteered to work with the Treasurer and Manager in aligning financially related job descriptions, duties, rules and by-laws to ensure consistency and minimize duplication. Those efforts will not start until after the new fiscal year begins.
 - b. There were no significant previously open financial issues discussed.
2. August 2012 financials along with the initial observations and trended material had been emailed on 09/07/12 and 09/10/12 respectively. While there were no material issues identified by Committee members although there were several comments including:
 - a. Continuing high billings from Clarity and if those bills are still accompanied by detailed supporting documentation ;
 - b. If the Manager had detailed, member-by-member documentation that supported the “minor” adjustments made by Clarity to clean up receivable accounts;
 - c. If the long outstanding items on the Operating bank reconciliation had been corrected and/or eliminated; and
 - d. What process was in place to finalize the reconciliation of Marina waiting list revenue and related prepaid amounts.
3. Second Read of potential bylaw changes related to new RCW reserves issues was eliminated from the agenda. This was done pending future Board requests on the matter.
4. Responsibility and process for annual updates to the new reserve study was briefly discussed. It seemed appropriate that the Manager be responsible for the actual maintenance of the RDA reserve file/program. Annual review of the reserve schedules is still a part of the Finance Committee’s charter.
 - a. There were also additional reserve questions raised including some specific to the RDA study:
 - i. How easy is it to combine the three program files into one?
 - ii. Are building components versus total building replacements appropriately considered, i.e. neither duplicated nor forgotten?
 - iii. At what point do certified reserve professionals ‘decline’ to make changes as doing so would compromise their professional integrity and/or judgment?
 - iv. [NOTE: In an email dated 09/19/12, RDA addressed the first two questions but seemed not to address the final item... A copy of that email is attached.]
5. The preliminary calendar for 2013 budget process was addressed. The Manager stated he was finalizing the calendar but current expectations were that the budget and all associated material would be mailed around the first week of November. *[NOTE: The detailed schedule was email to FINCOM members on 09/20/12.]*

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 11, 2012
7:00 PM

6. Other business

- a. A question had been raised with regarding the advisability of interim movement of cash from operating accounts into reserve accounts as had been the practice prior to the about 2005. There are some benefits to this approach but it was also suggested that it was very late in the fiscal year to change existing practices. No recommendation was made regarding a change to the current process.
- b. There was also a discussion regarding the cash flow timing investigation that was started over a year ago and continues to appear on FIN COM's WIP list (below). It was noted that detailed internal material (financials, schedules, notes, attachments to Board minutes, etc.) is required to understand what might have occurred. Several potential contributing factors may be the change in fiscal years which occurred in 2001/2002, the consolidation of reserve accounts, whether or not transfers actually occurred despite Board authorization or if there might have been an error in recording or transferring one or more transfers, i.e. duplication. It was again emphasized that there is no wrong-doing suspected but rather an effort to ascertain how the timing inconsistencies occurred so that corrective actions can be recommended.
- c. There was a generalized discussion regarding future issues and long-term planning.
- d. The Manager introduced the new Full-charge bookkeeper, Joanne Vermillion.

The next meeting is scheduled for October 17, 2012 at 9:30 in the upstairs conference room at the office. That meeting will center on a final review of the 2013 budget material. There may be budget review meetings prior to 10/17/12 and those will depend on the budget schedule and may therefore be schedule on short notice.

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

- (I) Depreciation schedule – second round of correction of defects
- (II) Modification to FIN02 and FIN04 – new RCW for HOA reserves
- (III) Cash flow schedule – forensic reconstruction

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 11, 2012
7:00 PM

Marina Committee Meeting
October 12, 2012

There were 16 members present along with Cape George Manager, Art Burke. Paul Happel presented the Committee with two choices of decking for the Marina ramp, along with pricing. After much discussion, the style and application of the deck ramp was decided. A motion was made by Ben Fellows, seconded by John Hanks, and carried by a unanimous vote that we would authorize the new ramp material for the South end, along with four 10lb fire extinguishers. It was further decided that this same material would be considered for use at the North ramp at a later date. Paul Happel will handle ordering of the ramp material and Thad Bickling will see to the fire extinguishers procurement. The Marina fund raising account will pay for the acquisitions.

Kitty Rucker, acting Chair if the Environmental Committee, requested that the Marina Committee send representatives to their meeting scheduled for 10-16 to discuss ways and means of beach preservation. Dick Poole, John Hanks, and Penny Jensen will represent the Marina Committee. Two means of protecting our beach assets included putting all the buildings on stilts or expanding the berms which exists behind the Community Workshop. The berms looked like the most feasible.

It was revealed that expense for the electrical meter at the South end was not properly allocated to the Marina budget. It was further revealed that only 32 marina users paid for electrical services on the docks (even though it is suspected that many make use of the power). It was noted that those 32 users, more than paid for dock power. The additional \$1900 plus dollars to the Marina budget (from the South end electrical meter) caused the Committee to look for an equitable means to share expenses. A motion was made by Gary Rossow, seconded by John Hanks that the Committee allow the Marina Committee Chair Tom Ramsey and Manager Art Burke, authority to work out a fair expense sharing method to include all Marina users that will be reflected on the 2013 budget. The motion was passed with 13 in favor out of the 16 present.

Gary Rossow pointed out the need to provide approximately \$400 in maintenance to the buoys outside the Marina entrance. This would include new chain and the services of a professional diver. This expense will be deferred to the 2013 budget under "Repairs and Maintenance".

The charges to a Cape George member to a moor a vessel who has not been assigned a slip, will be reduced from \$15 to \$8 per day. The guest moorage for a non-member will remain at \$15. The Committee felt a need to distinguish between the two.

An additional 42 floats will be ordered for the Marina project of replacing the existing Styrofoam floats. Committee members are anticipating an "Indian summer". Funds for this still remain in the 2012 Reserve budget.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 11, 2012
7:00 PM

Property Maintenance Committee
September 18, 2012

1. The meeting was called to order and new member Bob Carter was introduced. Other members in attendance were Dick Poole and Leanne Ryan, Board Liaison Ross Anderson and manager Art Burke.
2. There was a lengthy discussion as to what the goals and duties of this committee will be. The members agreed to give this some thought and send their ideas/suggestions to either Art or me; they will be compiled and presented to the committee at the next meeting.
3. The PMC Charter was reviewed and discussed along with other information presented by Robin Scherting and Art Burke. It was decided that Dick Poole would help Art revise Rules and Regulations PPO8 Junk Vehicles, and that Bob Carter would help Art revise PPO2 Maintenance of Property and bring them back to the committee for review before sending them on to the Board of Trustees for final consideration and approval.
4. The PMC had been asked ahead of time to walk/drive through the Cape George community and make a list of possible properties that should be evaluated. There was not time to go over these lists so they will be reviewed at the next meeting.
5. Art told the PMC about new software in the office that will help him respond to complaints in a more efficient and timely manner and also does follow-up responses to the complaints.
6. The next meeting will be held on October 23, at 4:00 PM upstairs in the office.

Robin Scherting
Chair

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
OCTOBER 11, 2012
7:00 PM

Cape George Water Advisory Committee
October 2, 2012

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

1. Ed is working with Bob Leach to get the materials assembled in response to the comments on the Water System Plan (WSP). Bob has been out for health reasons but is back working part time. They have a checklist of the response items and are working thru it. One of the items is a letter that Cape George had to send out to those residents within the well head protection zone. Art said the letter went out a couple weeks ago. Ed asked Art to send a copy of the letter to Bob. We also need to provide Bob with a copy of the Board meeting minutes and the resolution for the adoption of the WSP.

Ed will talk again with Bob about pulling the information for Well 8 out of the WSP and submitting it separately to the Dept. of Health for review and approval.

2. Bill Clarke has asked Bob Leach to re-phrase a letter relative to water rights and send a copy to Bill that he can use in meetings with the Dept. of Ecology. Bill is gathering the information from us and other sources for the meetings. Art anticipates them meeting soon.
3. Stew Pugh was not at the meeting but Art and Greg said that Stew is continuing to work with the office on resolving data transfer issues from the meter reading software to our spreadsheets. Apparently there have been some issues with the software and we are not paying them for on-going software support.
4. We discussed the water reserve study (available on the office web site). The study includes all of the facilities at the well site but does not include replacement funds for the 9 miles of water piping in the ground. Art said that is partly because the piping has an expected life of longer than 30 years which is the cutoff. Ed said that the water tanks also have an expected life of longer than 30 years. (The reserve study shows the water tank life of 50 years.) We are planning to budget for 2014 to have NTI do a study to develop a long term plan for the water system replacement that would also address the financing options. We should wait for that study before including the water system piping in the reserves. Ed also said that there are low interest loans available from the state that could be used when the time comes instead of funding from reserves or assessments. We still don't see replacement issues in the foreseeable future and we'll look at the issue again in 2014. We should add a paragraph to the water reserve study to this effect in the next update.

The next meeting will be on November 6, 2012 at 5 pm at the Office.

CAPE GEORGE COLONY CLUB
SPECIAL BOARD OF TRUSTEES MEETING
OCTOBER 18, 2012
3:00 PM

President Richard Hilfer called the meeting to order at 3:00 PM

Welcome & Comments – Richard Hilfer, President

Welcome

In Attendance: Richard Hilfer, Ross Anderson, John Garrett, John Hanks, Mike Smith, and Carol Wood.

Motion 1: Richard Hilfer moved, Mike Smith seconded to approve as modified the Bylaw amendment regarding reserve assessment and present to the membership for their vote in the November budget package. Passed 5/0

Motion 2: Richard Hilfer moved, Carol Wood seconded to approve the amended Reserve Disclosure form and cover summary. Passed 5/0

Budget Presentation – Art Burke, John Garrett and Karen Krug

- a. Proposed 2013 Revenues – Exhibit A
- b. Proposed 2013 Expenses – Exhibit B
- c. Proposed 2013 Capital Budget/Replacement & Repairs – Exhibit C
- d. Proposed General Assessment and Fees Schedule
- e. End of year and projected reserve account balances
- f. Finance Committee recommendations

Member questions and comments followed the Board discussion regarding the budget.

Motion 3: Mike Smith moved, John Hanks seconded to approve as amended and recommended by the Manager and reviewed by the Finance Committee the increases in general assessment and fees for 2013. Passed 4/0

Motion 4: John Hanks moved, John Garrett seconded to approve as amended and recommended by the Manager and reviewed by the Finance Committee the 2013 Capital Budget. Passed 4/0

Motion 5: Richard Hilfer moved, John Hanks seconded to approve as amended and recommended by the Manager and reviewed by the Finance Committee the 2013 Operating Budget. Passed 4/0

Motion 6: Ross Anderson moved, Mike Smith seconded to submit the Board recommended Budget to the Cape George Membership for consideration in the November ballot vote. Passed 4/0

Open Board Discussion:

There was additional discussion about ongoing communication to the Membership regarding reserve funding.

Announcements:

Study Session – November 13, 2012 3:00 PM

Regular Board Meeting – November 15, 2012 7:00 PM

Adjournment: John Hanks moved, John Garrett seconded to adjourn the Special Board Meeting at 4:35 pm. Passed 4/0

Submitted by:

Carol Wood, Secretary

2012 10-18.doc

Approved by:

Richard Hilfer, President

**CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
NOVEMBER 15, 2012
7:00 PM**

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

- A. Welcome and comments – Richard Hilfer – President
- B. Seawall project status – the permit has been submitted
- C. Special Membership Meeting will be held for the budget election, Tuesday, December 11 at 2:45

In Attendance: Richard Hilfer, John Garrett, John Hanks, Carol Wood, Penny Jensen and Ross Anderson

Action on Minutes: Carol Wood moved and John Hanks seconded to approve the October 11, 2012 Board Meeting minutes. Passed 5/0

Carol Wood moved and John Garrett seconded to approve the October 18, 2012 Special Board Meeting minutes. Passed 5/0

Membership Report:

Richard and Josephine Ferrero purchased 21 Colman Drive from Mark & Deb Hamby
Todd Uecker purchased 105 Maxwell Avenue from The Estate of Ruth Della Pool
Melvin & Helen Williams purchased lot 52 Vancouver Place from Sherry Erickson & Mark Peil
Ronald & Jayn Hanson purchased 260 Ridge Drive from Baulduin and Dana Vischer
Ray & Eileen Pierson purchased Lot 9-3 Marine View Place from Joel & Janet Gough

Treasurer's Report: John Garrett

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

1	Total cash and investments at month end were	\$647,704
	That amount is comprised of	
	General checking of	32,675
	General savings of	32,431
	Two petty cash accounts of	600
	and CDs and Money Markets totaling	581,998

Total operating cash (general checking and savings) has decreased by about \$20,000 since last month. Current cash, plus current receivables will need to fund the expenses for November and December since there will only be incidental revenue generated during that period. Monthly expenses average about \$36,000 per month.

2	The CDs and Money Markets are primarily Reserve accounts and include:	
	General Reserves	\$125,020

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
NOVEMBER 15, 2012
7:00 PM

Special Assessment	147,836
Water Reserves	199,849
Marina Reserves	109,293

NO	new financial accounts have been opened since last month.
There was no interest income recognized in October except for the Special Assessment reserve. This is only a timing issue.	

3	Regular accounts receivables, net of allowances are	\$15,380
	Receivables over 90 days, net of allowances are	5,600

Net receivables have decreased by over \$20,000 since last month. This pattern is typical following a trimester period. Net receivables over 90 days have decreased by \$300. since last month.	
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The Special Assessment Receivable outstanding is	\$146,216
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The Special Assessment Receivable is comprised of \$142,598 due in 2013 and \$3,618 that was due in 2012 and has yet to be received.	
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4	Year-to-date total net Revenue and Expenses (Net Income) are	\$15,583
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FAVORABLE	compared to budget.
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By cost center the variances are:

General operations are	Favorable	by	7,487
Water operations are	Unfavorable	by	(5,499)
Marina operations are	Favorable	by	12,084

Reserve interest income	Favorable	by	1,510
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With careful expense management over the next two months, General Operations should reach the 2012 targeted net income. Absent major excess water fees in December, it is unlikely that Water Operations will reach the 2012 target. Marina operations, due to capitalization of dock float costs rather than expensing those items is on a track to better their 2012 budget.	
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Delivered 11/15/2012

Manager's Report: Art Burke

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
NOVEMBER 15, 2012
7:00 PM

Work was completed on the upstairs office restroom renovation. We removed the bathtub, installed a new tile floor and laminate wainscot surface, reset the toilet and sink, converted a wall cabinet into a base cabinet and gave it a fresh coat of paint. We will be working on some minor improvements to the downstairs bathroom over the winter.

I am currently participating in a live bulletin board evaluation of the L&I audit that took place earlier this year. A series of questions are posted online, answered by other participants who were audited this year and then comments exchanged further if warranted. It has been interesting to note the variety of experiences that others had during their audit.

We have had several reports of household trash being deposited in community trash bins and barrels. All of the community trash receptacles have specific purposes. This does not include being a collection site for household trash.

We have upgraded our office copier. Our previous machine was a “work-horse” and we put a lot of copies through it. Based on our current level of use, this new machine will save us money and be capable of doing additional functions that will also save time and resources. This includes: folding documents for membership mailings, folding and saddle stitching directories and replace our aging fax machine.

A new member mail box has been installed at the front of the office. This new mail box will allow members to deposit a variety of correspondence to the office in a secure location 24 hours a day. The new mailbox is in the same location as the old slot at the front of the building. The mail slot on the office door will no longer be available.

I attended the fall quarterly meeting of the Strait of Juan de Fuca Ecosystem Recovery Network along with a number of other Cape George members. This collaborative group includes representatives from State and local government agencies, tribes and not-for-profit environmental groups. We had heard that there may be information available to assist us in our shoreline erosion issues. The most valuable outcome from attending the meeting was leads on where additional information may be available.

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

- Complaints of a dog off leash in the Colony.
- Report of a car being “keyed” in the Clubhouse parking lot.
- Property maintenance complaint in the Village.
- Report of drain gratings on the ravine trail needing cleared.

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

Information Items:

**CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
NOVEMBER 15, 2012
7:00 PM**

- A. The manager was directed to contact the organization's legal counsel regarding the property located at 311 Victoria Loop if no satisfactory response is received from the owner.

Member Participation

There was no member participation at this time

New Business Action Items

Motion 1: John Hanks moved and Penny Jensen seconded a resolution to transfer \$4533.05 from the Marina Reserves to General Investments Account for dock float replacement project in the Marina – Kadco USA \$4,478.04, Petty Cash/Transportation Reimbursement \$55.01. Passed 5/0

Motion 2: John Hanks moved and Penny Jensen seconded a resolution to transfer \$85.00 from Marina Reserves to General Investments Account and \$255.00 from Special Assessment Account to General Investment Account for the Seawall Replacement Project. Passed 5/0

Motion 3: John Garrett moved and John Hanks seconded to accept donation of four fire extinguisher cabinets, four fire extinguishers and ramp fiberglass grating from the Marina Committee for use on the docks of the marina. Passed 5/0

Motion 4: Carol Wood moved and John Hanks seconded to extend the agreement with MW Hillman Consulting to provide advisory services to the Marina Seawall Task Force not to exceed \$5000. Passed 5/0

Motion 5: Ross Anderson moved and Penny Jensen seconded a motion to extend building construction deadline of 12 months from today for member Wei Zhou. Denied 0/5

Open Board Discussion

Art Burke and Rich Hilfer are preparing a response to the community's reserve planning questions. The response will be posted online and e-mailed to members.

John Garrett resigned his board position for personal reasons. John's letter of resignation is attached to these minutes and incorporated by reference. He will serve up to another month while the Board considers replacement options. It was decided the Board Members would send suggested nominee names to Rich for their consideration.

Announcements:

- A. Special Membership Meeting – December 11, 2:45 P.M.
- B. Study Session – December 11, 3:00 P.M.
- C. Board Meeting – December 13, 7:00 P.M.

Motion 6: Penny Jensen moved and John Hanks seconded to adjourn the Regular Board Meeting at 7:50
Passed 5/0

Submitted by:

Approved by:

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
NOVEMBER 15, 2012
7:00 PM

Carol Wood, Secretary

Richard Hilfer, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
NOVEMBER 15, 2012
7:00 PM

November 15, 2012

From: John Garrett
To: Cape George Colony Club

Subject: My position

Dear Friends, Neighbors, and Cape George Club Members

It is with deep regret that I must inform you that it will no longer be possible for me to serve you as a Trustee and as the Club's Treasurer. A personal situation has come up that will require a considerable amount of my time, enough such that I would be unable to dedicate sufficient time to it and my Cape George duties and to do both jobs adequately. Rather than attempting to do both and failing to do either, I decided to step aside in Cape George and let another take over those roles, as my personal situation must have top priority. I was not aware of the personal situation until yesterday afternoon.

Again I would like to express my regret at not being able to continue in my Cape George elective and voluntary roles. I was looking forward to at least a year of challenge and success in service to you.

I offer my heartfelt "Thank you" to those who voted for me and expected their confidence to be manifested in my performance with dedicated duty and useful experience. May we remain as warm friends, neighbors, and club members.

Sincerely,
John



CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
NOVEMBER 15, 2012
7:00 PM
COMMITTEE REPORTS

Building Committee
November 5, 2012

Building Permits issued:

ROSS ANDERSON: 164 Quinault Loop, Colony, build a greenhouse

Earthworks Permits issued:

JOEL POSTMA: 321 Sunset Blvd, Colony, dig test holes for septic system repair

SAM MELTON: 423 Ridge Dr, Village, fill ditch & prep for driveway connection

ENCLOSURES LLC: 41 Fir Place, Village, install septic system

Driveway Connection Permits Issued:

LANCE & AMBER WARREN: 371 Ridge Dr, Village

Demolition Permit Issued:

JUDITH SPECHT: 41 N Palmer, Colony, demolish existing fire damaged house

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING
NOVEMBER 15, 2012
7:00 PM

Environmental Committee
November 12, 2012

In Attendance: Kitty Rucker (Chair), Pat Hartman (Interim Secretary), Penny Jensen (Board Representative), Art Burke (Manager), Ann Candioto, Ed Gee, John Hanks, Ben Fellows, Dick Poole, Norma Lupkes, Gretchen Cooper, Robin Scherting, Scott James, and Karen Krug.

I. Approval of Minutes - The minutes of the September 16 Inter- Committee Meeting were approved unanimously.

II. Budget Report – We have \$1,623.96 in our account at this time. We were committed to helping to purchase a ditch mower for the community, but Art was not able to find one that would do the job that was required. He will remove this encumbrance from our money, and we will then have the full amount available for use on the beach project.

III. Old Business

A. Beach Project

1. Kitty gave the background of the Beach Project for people who had not attended the previous Inter-Committee Meeting
2. She explained that the Environmental Committee has been studying the beach erosion problem for a year. She explained how Bill McFarland had placed logs on the beach with heavy rope to break the force of the waves hitting the beach. Last year the logs broke loose from the beach because the rope gave way. Bill suggested using chain or cable to attach the logs this year. November and December are the best times to catch and place logs because they float by then in the high tides.
3. She said that most of the \$1,623.96 in our budget could be used for chain, cord or rebar to attach the logs to the beach or for any other materials that might be needed for the project. Art has placed an additional \$500 in his budget for this project as well, but his money will not be available until January, after the budget is approved.
4. Ben asked if the Environmental Committee had people who could work on the project when necessary. She told him that we have had great success with getting volunteer help on individual projects when necessary. Some of our members do not come to meetings, but do come to help when specific work is needed. Ed Gee volunteered to help with this project when needed.
5. Art talked about the meeting on Puget Sound Environmental issues that he, Ben Fellows, John Hanks, and Dick Poole attended on Friday. Most of it did not apply to our concerns, but it did have information on other problems in our area.
6. Art also explained that there are many restrictions on what we can do to remedy our problems. He advised that before major action can be taken below the high tide line, engineering assessments and permits would be needed.

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7. To be able to start on the project, we established two sub-committees to investigate what action is best to use.
 - a. A log moving committee to plan how to catch and attach logs to the beach. It will also find out what permits will be needed to do the work and will apply for them. The people who volunteered for this committee are: Kitty Rucker, Ben Fellows, John Hanks, Ann Candioto, Penny Jenson and Art Burke
 - b. A plant committee which will explore what plants would be best to hold soil on the berms that will be necessary to keep the water from getting onto the common areas. They will start with the berm which has been established near the Marina. After a year of trying different plants we will decide whether to bring in dirt to extend the berm and what plants work best to retain soil. They will meet this week to look at plants. Volunteers for this sub-committee are: Ann Candioto, Penny Jensen, Kitty Rucker, Norma Lupkes and Art Burke
8. Both of these committees will report back to the Environmental Committee at the December 13 meeting. Kitty will provide money for plant purchase when the Plant Sub-committee goes to purchase plants.
9. Norma Lupkes and Robin Scherting suggested that the committee ask the Social Club if our project could benefit from the Granny's Attic this year for our project. They usually raise about \$2,000. Kitty said that she would send in a request to them this week.
10. Ann Candioto said that she had spoken to Tim Thomas at Bernt Ericksen Excavation. They sometimes have large stumps that they excavate. They just grind them up and give the chips to the paper mill. If we want them, they might be available for the project.
11. Gary Rossow has just filed a JARPA (Joint Aquatic Resource Permit Application) for the North Seawall. We can apply for a permit to work on the log placement if needed.
12. We agreed that we should begin the gathering and placement of logs as soon as agreement can be reached on how to do this. There are two opposing plans for this work.
 - B. **Trees in power lines.** Ed Gee advised us that Puget Power needs to prune back trees along the power lines on Palmer. The trees are above the lines in some places. Art said that he has not had success in getting them to come out when we need work done. They have told him that they will get to it on their schedule. Kitty will call them and inform them of the problem.

IV. New Business

- A. **Environmental Committee Presentations.** We agreed that we would no longer offer presentation on Environmental issues. If we have ideas for presentations we will offer them to the Cape George University. They do a very good job on this.
- B. **Chairperson for 2012-13.** Kitty asked if there was anyone who wanted to be the chairperson of the Environmental Committee. No one volunteered. Kitty agreed to remain chairperson for the rest of the year if someone would cover financial duties when she is in Costa Rica for January and early February. Robin volunteered for January, and Gretchen volunteered for February.

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- C. **Meetings in January and February.** We will have our monthly meeting on Monday, January 7, at 9:30 in the Clubhouse instead of on Monday, January 14, as previously scheduled because Kitty leaves on January 9. There will be no Environmental Committee in February. Sub-committees will meet and continue their work as needed.
- D. **Fund raising projects.** The committee agreed to have an Environmental Committee Pancake Breakfast on Saturday, April 6, 2013, from 8 until 11, at the Clubhouse. Details will be discussed at future meetings.

The meeting was adjourned at 11:00.

The next meeting of the Environmental Committee will be on Monday, December 10, at 9:30 in the Clubhouse.

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**Finance Committee
October 15, 2012**

Finance Committee held its regular monthly meeting on Monday, October 15, 2012, 9:30am in the upstairs Conference Room at the Office. Present were G. Semick and K. Krug and A. Burke and J. Garrett, also attended

1. Updates
 - a. Finance related topics – October Board actions – a brief update was provided on the financial related Board items from the October 11, 2012 meeting.
 - b. Previous open financial statement issues – there were no previously open issues raised
2. September financials
 - a. Formal statements – first statements were emailed separately on 10/06/2012. The first set of statements contained a material inconsistency. The problem was identified, corrected and a revised (corrected) set of statements was emailed on 10/xx/12. Those statements were correct in all material respects.
 - i. The supporting schedule for Cash and Investments did not get corrected in the revision process. The inconsistency was noted.
 - ii. The actual financial statements and the Treasurer's report for September were prepared using revised statements and are reliable.
 - b. There was a brief discussion concerning the yearend adjustment for anticipated bad debts as well as the associated review process.
3. Seawall Project Financial Summary
 - a. This project tracking summary had previously been requested by the Board. The September version was reviewed and is attached.
 - b. There is still a minor variance (\$3,500) that needs to be resolved but it impacts only the allocation between current AR and 2013 AR.
4. Budget review –
 - a. The group expressed appreciation to Mr. Burke for all his work on the budget and for his responsiveness to questions and comments.
 - b. The Committee reviewed the first draft of the budget at a special meeting held on 10/01/12. The detailed observations, questions and issues from that review were provided to Management in a separate memo and a copy is attached.
 - c. The group reviewed the second draft of the 2013 budget by starting with a review of the disposition of all previously noted items.
 - d. Discussions covered a variety of items including, but not limited to: additional increases for insurance expense; different allocations of insurance expense; account consolidations for water related taxes; marina fees; and editing notations.
 - e. A formal memo of final observations will be sent to the Board and a copy is attached. The items highlighted in that memo are:
 - i. Labor hours and dollars;
 - ii. Marina moorage fees; and
 - iii. Inclusion of 2014 – 2019 capital expenditures from RDA study on the capital worksheet, future section.

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The next meeting is scheduled for Monday, November 19, 2012 at 9:30 in the upstairs conference room at the office.

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

- (I) Depreciation schedule – second round of correction of defects
- (II) Modification to FIN02 and FIN04 – new RCW for HOA reserves
- (III) Cash flow schedule – forensic reconstruction

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**Marina Committee
November 6, 2012**

There were 10 members present, including Manager Art Burke.

It was decided that Tom Ramsey would order the deck ramps independently of the Marina floats with regard to an unobtainable savings on shipping. Originally, it was thought that we could save shipping cost by having both the floats and the ramps shipped separately. Since then, that has not been proven to be the case.

There is still uncertainty with the electrical charges levied against the Marina's burden of charges against alleged usage. Manager Art Burke, has taken a survey that is still in doubt with the Committee, and it was decided that Ben Fellows, Tom Ramsey and Dick Poole would monitor meters and their locations. We're all agreed that since our community has taken over the Community Workshop that Marina cost should realize some relief.

Discussion of electrical usage on the marina has indicated that charges spiraled in the winter months and have shown inordinate consumption. It was speculated that there could be members using heaters when only light bulbs would do. Also, there is awareness that members could be hooking up to electrical outlets and have not paid for the service. Manager Art Burke suggested that we determine those violators, send them a letter, and then unplug them. The Marina Committee also supports fines.

Kitty Rucker, representing the Environmental Committee has asked the Marina Committee's support in bluff management and beach erosion. John Hanks, Dick Poole and Penny Jensen will represent the Marina Committee in this effort. John and Ben (our engineers) have already roughed-up some great ideas that anyone would think are "outside of the box". If anyone wants to contribute to this effort, please contact Kitty Rucker, Acting Environmental Chair at 385-4927 or anyone from the Marina Committee. The Marina Committee will be represented at the Clallam/Jefferson County meeting in Port Angeles on Friday, Nov. 9th by John, Dick, and Penny with regards to our beaches and bluffs management.

Manager, Art Burke has assured that \$400 will be in the budget to maintain the two mooring buoys outside the Marina entrance. This is a three-year maintenance expense that requires a diver who would be replacing chains and necessary hardware. These mooring buoys were paid for by private contributions as is all docks and ramps.

\$400 was voted by unanimous decision to pay for materials that would support our life rings and new fire extinguisher mounting hardware. The Committee's focus has been safety in 2012. The Committee has donated tools and budget with the intent to make the Marina and Community Workshop safer.

The Committee decided to hold the annual Marina Sale on May 17-18th, 2013. The Committee attempts to work in conjunction with Granny's Attic which is the weekend earlier. We'll take contributions to our sale on Tuesdays before 12 noon. Contact "Mac" McDonald @ 774-6011 or Tom Ramsey @ 774-1541 for other times to donate to our sale.

**Pool Committee
November 6, 2012**

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The pool committee met at the clubhouse on Nov. 6 for the monthly meeting. Art discussed the window sill replacement project and said it is coming along well. It should be complete by the end of Nov.

The Pool Committee was approached about using our pool during the closure of the Port Townsend pool. This was denied by the CG Board.

There will be AED/CPR training at the clubhouse on Dec. 12 from 7:00 to 8:30 conducted by Bill Beasley of Jefferson County Fire and Rescue. It is limited to the first 15 people. There will be a sign up sheet in the office.

The base molding in both bathrooms is scheduled to be replaced with vinyl strips in the near future.

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**Property Maintenance Committee
October 24, 2012**

1. The meeting was called to order at 4:00 pm. Members attending were Bob Carter, Leanne Ryan, Robin Scherting and Art Burke. The minutes of the previous meeting were approved as written.
2. Adding additional members to the committee was discussed. Members from all four areas of Cape George would be great. It was agreed that Bob, Leanne, Robin and Art would each ask a recommended CG member to join the PMC. New members will be invited to attend the next meeting.
3. The Committee is continuing to define their role when reviewing properties for potential maintenance violations. Topics discussed were hedges, lawn mows, yard maintenance, undeveloped lots and homeowner lots, common property maintenance vs. personal property maintenance, and storage of all extra vehicles.
4. Bob Carter and Art Burke reviewed suggested changes to PPO2 Property Maintenance. After lengthy discussions it was determined there was still a lot of work to do. Bob and Art will work on this and bring another version to the next meeting.
5. Richard Poole was unable to attend the meeting although he did send some information concerning PPO8 Junk Vehicles. Art will work with Dick and have something ready for the next meeting.
6. The lists of property violations that members had compiled were deemed out of date; and with our goals and duties still being defined it was decided to put this on hold until we have more appropriate guidelines to follow.
7. The next meeting will be held on November 20, at 4:00 pm in the meeting room above the office.
8. The meeting was adjourned

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**Water Advisory Committee
November 6, 2012**

The meeting was held at 5 pm at the Office. The following attended: Art Burke, Manager; Larry Southwick, Committee Chair; and member Ed Skowrya.

1. Art reported that Bill Clarke has given all of his response materials to the DOE but has not yet heard back. The next step is in their hands and no way of knowing what or when. Bill will be following up and let us know.
2. Ed reported that Bob Leach has everything he needs to finish the Water System Plan. Ed said they are going to pull the Cross Connection material out of the main report and put it in the Appendix. There may still be some final review by Ed. Then it will be re-submitted to DOH.
3. Art said the Sharon and Stew are still working on the meter reading system. It is mostly working but they still have to manually read several meters because they can't get them added into the system. There are software problems that we just can't resolve. Ed said that's the problem with these systems and that they are all written in a proprietary manner where no one but the provider can fix it.
4. We recently had a couple failures at the well/tank site. One of the pumps burned out but we had a spare so we're in normal operation but without a backup. They are still determining whether the old pump can be re-built or if it will have to be replaced. Also, the chlorine injection pump failed and had to be replaced with a spare. The old one may be able to be repaired and kept as a spare.

The next meeting will be on **December 4, 2012 at 5 pm at the Office.**

CAPE GEORGE COLONY CLUB
SPECIAL MEMBERSHIP MEETING
DECEMBER 11, 2012
2:45 PM

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

A. Election -- Richard Hilfer announced that election ballots would be collected until 3:00 p.m.

In Attendance: Richard Hilfer, Carol Wood, John Hanks, Penny Jensen, and Ross Anderson

Announcements

A. Board Meeting – December 13, 2012, 7:00 p.m.

Motion 1: John Hanks moved to adjourn the meeting at 3 p.m. Penny Jensen seconded. Passed 4/0.

Submitted By:

Approved by:

Carol Wood, Secretary

Richard Hilfer, President

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The meeting was brought to order at 7:00 p.m. by President Richard Hilfer

- A. Welcome
- B. Election Results
 - a. 2013 Budget – 198 approved / 67 disapproved. Passed
 - b. IRS resolution to place remaining 2012 funds into reserve accounts. 223 approved / 42 disapproved. Passed
 - c. Bylaw amendment to include establishment of a Reserve Assessment -- 140 approved / 127 disapproved. Passed
 - d. Building and Property Regulations amendment – 194 approved / 71 disapproved. Passed

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

Action on Minutes: Carol Wood moved and John Hanks seconded to approve the November 15, 2012 minutes. Passed 4/0

Membership Report:

- Joel & Janet Gough purchased 411 Ridge from The Walden Trust
- Charles Hommel & Joan Soderland Hommel purchased 141 Victoria Loop from Linda Cooley
- Elizabeth Hewitt, Geoffrey Hughes and Andrew Palmer purchased lot 3-3 Vancouver Drive from John & Joyce Mottola
- Sean Lechner received 71 Quinault Loop from the Trustee of the Ron & Karen Lechner Trust

Treasurer's Report: Presented by Richard Hilfer

**TREASURER'S REPORT
As of November 30, 2012**

1	Total cash and investments at month end were	\$622,855
	That amount is comprised of	
	General checking of	6,846
	General savings of	32,435
	Two petty cash accounts of	600
	and CDs and Money Markets totaling	582,974

Total operating cash (general checking and savings) has decreased by about \$26,000 since last month, slightly more than the decrease between October and November. Given that the last major cash receipt occurs with the September trimester payments, this decrease pattern is expected.

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

General Reserves	\$125,020
Special Assessment	148,812
Water Reserves	199,849
Marina Reserves	109,293

No new financial accounts have been opened since last month.
There was no interest income accrued again this month, marking the second month in a row interest has not been accrued. This will be corrected with the December close.

- 3 Regular accounts receivables, net of allowances are
Receivables over 90 days, net of allowances are

\$12,596
11,623

Only six accounts comprise the majority of the receivables over 90 days old and are considered to be uncollectible. Pending formal Board ratification, the Allowance for Doubtful Accounts will be adjusted for these accounts.

The Special Assessment Receivable outstanding is

\$142,302

As of November 30, 2012, there was \$2,966 in delinquent 2012 Special Assessment payments but also \$4,662 in 2013 payments that have already been received.

- 4 Year-to-date total net Revenue and Expenses (Net Income) are

\$18,874

FAVORABLE compared to
budget.

By cost center the variances are:

General operations are	Favorable	by	11,289
Water operations are	Unfavorable	by	(5,110)
Marina operations are	Favorable	by	11,156
Reserve interest income	Favorable	by	1,539

Given larger than budgeted bad debt expenses that will be posted in December, General Operations may end the year slightly behind the original budget. Careful management of other December expenses may mitigate the bad debt impact.

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Water will not reach its 2012 target due to unforeseen costs associated with the water system plan and water rights legal costs. The Marina will exceed its original target since they did not construct a harvest by-pass pit this year.
--

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

12/13/2012

Manager's Report:

The transition between having an outside contracted service handle the corporations accounting to an in-house employee is moving along smoothly. Our Bookkeeper has been in place for approximately three months and has taken over the majority of the responsibilities. We are anticipating another 1-2 months of training/transition.

A report was received concerning a possible sunk vessel offshore from Colman Park. East Jefferson Fire Rescue and the Sheriff's Department dispatched a number of personnel to the park. It was later determined the "mast" sticking out of the water was a pvc pipe.

We received notification from Jefferson County Public Health that a report was made concerning chlorine levels in the pool being too high. A site visit was made by JCPH and the chlorine levels were normal, however the pH was high. It was recommended that we bring the pH down.

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

- Report of household trash being deposited in a Marina garbage can.
- Complaint of poultry being kept in the Colony and Village.
- Report of a resident driving in the community at a very slow rate and causing unnecessary safety hazard by not allowing other vehicles to pass.
- Report of a resident verbally harassing parents dropping off children at bus stop in the Colony.
- Report of tree branches growing into overhead power lines in the Colony and Village.
- Report of graffiti on the side of a residence over the Thanksgiving holiday in the Colony. Work is underway to remove/cover the graffiti.
- Report of unlicensed vehicle (go cart) being driven on community roads.
- Report of stranded hikers on the shoreline south of the marina.

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Committee Reports: The following committee reports were submitted to the Board of Trustees: Environmental, Finance, Marina, Nominating, Property Maintenance, and Workshop. The reports are attached to these minutes and incorporated by reference.

Information Items

- A. The Manager obtained separate quotes for employee health insurance coverage directly from the carrier thereby saving \$600 per year in administrative fees.
- B. The Trustees directed the Manager to resolve the scheduling conflict for the May 2013 Study Session and Board meeting by relocating to the Firehouse or rescheduling the meetings.
- C. The Manager provided an update on the 311 Victoria Loop property.

Member Participation: There was no member participation at this time.

New Business Action Items:

Motion 1: John Hanks moved and Ross Anderson seconded to ratify the 2012 depreciation schedule and seven adjusting entries. Passed 4/0

Motion 2: Carol Wood moved and John Hanks seconded to adjust the allowance for doubtful accounts from \$5600.73 to \$11,018.64. Passed 4/0

Motion 3: Ross Anderson moved and Mike Smith seconded to direct the Manager to work with employees on benefit plan selections within 2013 budget. Passed 4/0

Motion 4: John Hanks moved and Carol Wood seconded to approve staff Holiday bonuses in the amount of \$100 for full-time employees and \$50 for part-time employees. Passed 4/0

Motion 5: Ross Anderson moved and John Hanks seconded to approve the 2013 Clubhouse blackout dates. Passed 4/0

Information item: Richard Hilfer indicated the board had been presented with names of 10 people who might be interested in filling the vacant Trustee position. Two were willing to serve, some were considering it, one said he/she would fill the opening until next summer's election, and 3 haven't responded. It was decided to discuss this further at the January Study Session if not before.

Motion 7: John Hanks moved and Mike Smith seconded a resolution to transfer \$53.13 from Marina Reserves to General Investments Account and \$159.37 from Special Assessment Account to General Investment Account for Seawall Replacement Project. Passed 4/0

Motion 8: Richard Hilfer moved and John Hanks seconded to accept the donation of the Sport Court valued at \$11,599.39. Passed 4/0

Open Board Discussion

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Now that the By Law Amendment has passed allowing for a reserve assessment it is time to begin planning. There was discussion on how to structure the assessment and how to get information to and feedback from the Cape George Members. Rich Hilfer, Ross Anderson and Carol Wood will present ideas at next month's Study Session. It was noted the By-law changes need to be recorded. There will be a vote on the assessment amount prior to 2014 Budget planning.

Announcements:

- A. Study Session – January 8, 2013, 3:00 p.m.
- B. Board Meeting – January 10, 2013, 7:00 p.m.

Motion 9: Mike Smith moved and Carol Wood seconded to adjourn the Regular Board meeting at 7:55 p.m.

Submitted by:

Approved by:

Carol Wood, Secretary

Richard Hilfer, President

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Committee Reports

ENVIRONMENTAL COMMITTEE
December 10, 2012

Call to Order: Kitty Rucker, Chairwoman, called the Environmental Committee meeting to order at the Clubhouse at 9:30 am, December 10, 2012.

Attendance: The meeting was attended by Manager Art Burk, Trustees Ross Anderson and Penny Jensen, and by members Mac McDonald, Jim Fling, Leslie Fellner, Dick Poole, Kyanne Anderson, Gretchen Cooper, Barbara Barnhart and special guest, member Tony Petrollo.

Order of Business:

1. **Approval of November Minutes:** The members approved the Minutes from the November meeting without additions or corrections.
2. **Bank Account:** The balance in the committee's bank account is \$1,575.23.
3. **Volunteers:** There is a continuing need for volunteers to perform maintenance work throughout the community. The various projects needing attention will be listed by Kitty in the newsletter and may be posted on the neighborhood bulletin boards. Members are encouraged to review what needs to be done and then to just go ahead and do anything on the list – one time help is as appreciated as a long term member commitment to take care of a specific area. Questions about work projects may be addressed to the Manager or to Kitty.
4. **Project for 2013 – Upland Beach Protection:** The committee's focus for 2013 will be to support continued efforts to prevent further damage by tidal inflows to common property. There was a general discussion of current efforts to preserve the area by the workshop, clubhouse, gazebo and children's play area from damage from high tides. Some committee members obtained and planted certain native plants (sedge, bull rush) on a section of the shop berm. This experimental planting will demonstrate whether the plants will survive and better hold the berm in place.
5. Winter storms and high tides have resulted in some tidal influx onto the grassy area north of the clubhouse, leaving beach rubble on the lawn and washing away blocker logs, which had previously been placed at the high tide level. It has been the consensus of the committee, based on the Manager's recommendation, to delay any formal efforts to abate the tidal influx problem (such as seeking state agency authority to create berms from the clubhouse north – similar to the berm by the shop) until completion of the permitting for the sea wall repair project. In the interim, the committee supports the continued effort by the Manager, Donny and volunteers to "round-up", replace and chain down blocker logs parallel to the beach just at the

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high tide level. It is anticipated that the blocker logs will be connected by cable to posts to be sunk in the ground above the high tide line. One of our members donated 100 feet of metal cable for this project. This approach is an experiment to see if the logs may be maintained in position even with major storms and high tides. The previously placed blocker logs, which were tied off with rope, worked for a while, but floated away in a storm last winter in the high tides and storms. The planting, log round up and log cabling efforts will be ongoing. The Environmental Committee unanimously agreed to fund the purchase of cement to anchor the supports in place for holding the logs in place. If the Marina needs other money to buy materials, they will contact Kitty to ask for the necessary materials. The committee suggested that when needed the Marina Committee could come to the Environmental Committee to request about \$250.00 to obtain a quantity of empty sand bags which could be filled and placed to block potential sea water intrusion into the fitness room or shop.

6. **Report from Tony Petrello, Member:** Tony has credentials and experience related to shoreline protection. He provided information and support regarding our existing beach protection efforts and will be a knowledgeable resource for the community. He is affiliated with the Jefferson County Marine Resources organization, a group related to the Northwest Straits Initiative, which is concerned with preserving shoreline and with soft shore armoring projects. He is also familiar with Coastal Geologic (with whom Cape George has done business – they did a beach protection assessment for Cape George around 2001) and with the North Olympic Salmon Coalition. Some organizations have private funding and may be interested in funding our soft-shore armoring project. Tony will see if there might be interest in a third party advising us or funding our project and will report back to the committee. (Tony emailed Kitty that he discussed our project with a staff member of the NW Straits Commission, which funds projects. She will present our project to the foundation at their meeting today. He will let us know what comes from that)
7. **Tide changes:** There was some discussion on whether tides in our area are becoming higher. A member reported that the NOAA tide station in Port Angeles monitors tidal changes and issues a report every 19 years tracking changes in the tides over time. This information is available on their web site. It was noted that even if local tides were marginally higher (it is unknown if this is true) such an increase over time would be off-set by the fact that the Washington and Oregon coasts are in an area of continued geologic uplift. Some members noted that observations and photographs taken several years ago of tidal deposits on our common areas are pretty much identical to current tidal influx. *Please see the attached document that shows NOAA tidal records for Port Townsend, which was sent by Tony Petrillo.
8. **Tree cutting:** The committee has contacted Puget Sound Energy to request that certain trees be cut to eliminate the risk of power line interference on North Palmer and Colman Loop..

There being no further business, the meeting was adjourned at 10:40 am.

The next scheduled meeting of the Environmental Committee will at on January 7, 2013 at 9:30 at the Office. There will be no meeting in February.

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Date: December 12, 2012

Minutes Prepared by Barbara Barnhart.

Kitty Rucker, Committee Chair

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FINANCE COMMITTEE
November 19, 2012

Finance Committee held its regular monthly meeting on Monday, November 19, 2012, 9:30am in the upstairs Conference Room at the Office. Present were B. Barnhart; J. Harrington; K. Krug and G. Semick (via phone). A. Burke and J. Garrett, also attended

1. Updates

- a. Finance related topics – November Board actions – a brief update was provided on the financial related Board items from the November 15, 2012 meeting.
- b. Previous open financial statement issues
 - i. The \$3,345 deposit-in-transfer, between the operations investment account and the reserves had not yet been resolved but the Manager indicated it would be shortly. A general discussion ensued regarding the need to clear bank reconciliation items within weeks rather than months.
- c. Pro-forma projections – emailed on 10/24/12 with November agenda. There was a brief overview of the pro-formas but no significant discussion.
- d. Seawall financial summary – emailed with the Trended Statements on 11/11/12. This summary was requested by the Board several months ago. There is still a minor inconsistency to be corrected but otherwise the summary provides an accurate picture of the financial status of the North Seawall project.

2. October financials

- a. October statements, while containing some inconsistencies, were considered materially correct when they were originally distributed to FINCOM on 11/11/12.
- b. The two minor issues related to seawall reserve transfers were clarified.
- c. There were items for explanation and/or follow-up that were detailed in an email of 11/11/12. It is assumed all ten items will be addressed prior to closing November.

3. Depreciation schedule –

- a. The first iteration of the 2012 depreciation schedule was emailed on 11/18/12 and an additional copy was distributed at the meeting. The schedule had been color coded for discussion. There were several historical items that were vigorously questioned.
 - i. A 2005 “Drilling” item, costed at \$61,715. The original question had been, “For which well did that drilling apply.” The discussion centered on the fact that the amount was likely not for drilling at all. Fortunately three individuals who were Board members at the time of that expenditure were present but no one had an immediate recollection of the expenditure. There will need to be additional research into the actual reason for the \$61,715 expenditure.
 - ii. A 2007 “Clubhouse Improvements” item costed at \$51,707 was also questioned. No one from the Board involved in that expenditure was present so again, additional research will be necessary.
- b. Several historical items that were missing detail, i.e. useful lives, date acquired, etc., will be corrected for clarification purposes only.
- c. There are a number of items, most of which are fully depreciated and most are thought to have been replaced or disposed in the past, i.e. dock floats, copier, generic electrical repairs, etc., will be properly written-off this year.

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- d. Lastly, there are a number of very strange entries (made over the years by the prior auditor) that appear to be duplicates, informational only and/or completely without information, that are recommended to be adjusted off the schedules and ledger this year. Nearly all these items were fully depreciated in prior years.
 - e. The need for the Corporation to maintain a depreciation schedule was discussed. The new auditors had raised the issue as it relates to common property, i.e. property requiring a vote of the members for disposition. Since no such property appears on the Colony's current depreciation schedules and since the AOI provide for the Board's disposition of any and all non-common property, it was felt that we do need to maintain a depreciation schedule. For the Colony to do so is not contrary to GAAP. This issue will be explored in greater detail with our new auditors again next year.
4. Other Business
- a. The potential of deleting FIN04 pending the Board's action on reserve funding was discussed. After considerable discussion it was decided to leave FIN04 in place and modify the rule only after a final Board/Membership decisions on reserve funding methodology.
 - b. Also discussed at some length was the possibility of preparing additional reserve *bylaw changes*, funding options/amounts, *etc.* for the Board's review. The feeling was that FINCOM should take no further action until/unless requested to do so by the Board in this arena.
 - c. The Manager stated that employee health quotes were coming back at levels higher than originally budgeted. The group was quite vocal in recommending that:
 - i. New health benefit packages be found that fit the budgeted increase; or
 - ii. Employees be required to pay the difference between what is currently budgeted and the actual premium. This later action is much more in keeping with typical business practices.

The next meeting is scheduled for Monday, December 17, 2012 at 9:30 in the upstairs conference room at the office.

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

- (I) Modification to FIN02 and FIN04 – new RCW for HOA reserves
- (II) Cash flow schedule – forensic reconstruction

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MARINA COMMITTEE MEETING
December 4, 2012

The meeting was called to order with 8 members present.

Standing water behind the workshop was discussed. It was decided that the committee would ask CGCC Manager to provide a dry well/drainage ditch leading to the Marina.

The Committee resolved to begin preparations for the Annual Marina Sale. Several ideas were floated around with regard to selling items on consignment and charging a 10% commission. An appeal for donated sale items will appear in the December newsletter.

The Committee is requesting the Board to consider changing the May, 2013 meetings venue to the Cape George Fire Station. Work Study and Board meetings fall between the Granny's Attic sale and the Marina Sale. It is impractical to change sale dates due to early reservations already made for the club house. Manager Art Burke will insure that this request is placed on the Work/Study agenda for December 11th.

The Committee agreed to remove and repaint the flag pole, replacing rope and pulleys in the process. It was suggested adding a wind sock to assist sailors.

The Committee resolved to ask Manager Art Burke to determine the legal ramifications of selling the confiscated canoe and 2 kayaks. The Marina Committee has no idea of who they belong to and has not received any fees for their storage.

A question was raised regarding the minimum liability coverage the State of Washington mandates for Marine insurance. Paul Happel and Penny Jensen will pursue this issue

Dan Sutton pointed out that Marina weekly workshop dates fall on Christmas and New Years this year. The Committee resolved to change the affected dates to December 27th and January 3rd.

The Committee agreed to ask Manager Art Burke if the lights along the road to the South parking lot can be tilted upwards to shine more light onto the vessels in the Marina for security purposes. The lights are expensive to maintain and if they do not serve the purposes for which they were intended, perhaps they should go away.

There was much discussion on how to anchor trees that are being drug out of the Marina basin to the shoreline in an effort to protect it. Recent high tides have taken a toll on our beach. If any member has a solution, contact Tom Ramsey or Kitty Rucker.

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**CGCC NOMINATING COMMITTEE
November 12, 2012**

The Nominating Committee met on November 12th for the purpose of identifying its program of work and activities for the 2013 calendar year. Members present at the meeting were Bill Stull, Jeannie Ramsey, Jan Stone, and Art Burke (ex-officio). Kitty Rucker was unable to attend. The major task of the Committee is to identify and persuade Club members to run for one of the vacant Board positions that are available for the 2013 calendar year. Ideally the committee agreed that it would be nice to have four candidates to run for the two board vacancies. Membership on the CG Board of Trustees is open to any member in good standing willing to commit adequate time and energy to this assignment.

At the meeting the Committee:

1. Reviewed the Charter for the Committee
2. Reviewed the Trustee Election Dates for 2013
3. Reviewed the "Nomination Form" which must be completed by prospective Board officers
4. Identified a number of residents who might be interested in running for the two open Board positions.
5. Reviewed and discussed various ways of promoting interest among our membership in serving as a Board Trustee.

Committee members accepted the following assignments during the meeting.

1. Jeannie Ramsey will moderate the "Meet the Candidates" session scheduled for June 11, 2013.
2. Bill Stull will prepare an article for the newsletter and also briefs to be distributed over the CG email system.
3. Art Burke will make some slight editorial changes to the "Board of Trustee Nomination" form. This "Nomination Form" will be provided electronically to Committee members so that they in-turn can provide to prospective candidates.
4. Each Committee member will personally contact and attempt to meet with prospective GC residents who have been identified by the committee.
5. Jan Stone will prepare the flyers that will be posted on all of the Bulletin Boards on or around April 2, 2013.
6. Kitty Rucker will prepare guidelines for prospective Board Candidates as to what should be included in the "biographical statement" which must be submitted by candidates by May 20, 2013

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The Committee will meet again in early April to evaluate its progress in recruiting Club members to run in the upcoming election.

Summary prepared by Bill Stull, Committee Chair

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PROPERTY MAINTENANCE COMMITTEE

November 20, 2012

1. The meeting was called to order at 4:00 pm. Members attending were Dick Poole, Leanne Ryan, new member Laurie Owen and Ross Anderson, Board Liaison. The minutes of the previous meeting were approved.
2. Two new members have been added to the committee, Laurie Owen and Norma Lupkes who not able to attend this meeting. We are still looking for more members. If you are interested, please contact one on the committee.
3. We discussed revisions to PPO8 Junk Vehicles and after much discussion it was decided to leave this rule as it reads without any revisions.
4. Art and Burke and Bob Carter were not at the meeting so further discussion concerning PP02 Property Maintenance was deferred until they were present.
5. The Committee continued to define their role when reviewing properties for potential maintenance violations. Ross Anderson volunteered to draft a letter that could be sent to members who have complaints against them; and. it was agreed that we would work closely with the manager in resolving property maintenance issues.
6. The next scheduled meeting will be held on December 18, at 4:00 pm in the meeting room above the office.
7. The meeting was adjourned

Robin Scherting
Chair

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WATER ADVISORY COMMITTEE
November 27, 2012

The meeting was held at 1:30 pm at the Office. The following attended: Art Burke, Manager; Larry Southwick, Committee Chair; and members Ed Skowyra, Scott James, Stew Pugh and Thad Bickling.

1. The reason for the unusual time and date was to discuss the DOE request for information with Bill Clarke, attorney, and Bob Leach, consultant, on a conference call (Bill in Olympia and Bob in Port Angeles). The primary discussion was to answer questions in Marie Peter's Nov 19 email to Bill.

Marie requested additional water use information relative to the data that Ed and Bob were preparing for the DOH in response to their questions regarding the review of the WSP. Marie was asking/suggesting that we use our own Water Use Efficiency (WUE) numbers projected to full build out to see what that demand would look like in acre feet per year (AFY).

Ed said that projected build-out would be in 2024 (estimate) and the quantity would be the 225 AFY that we've been seeking. If we apply the WUE goal of 1/2 percent reduction per year, compounded, that would result in 211 AFY. Ed will finish up the worksheet on that basis and send it to Bill and Bob. Bob had shown numbers that we'd have to achieve a 15% reduction over time to build out in order to justify the 192 AFY figure. Bob and Ed agree that a total reduction of 6 to 7 percent would be all they could justify.

Bill asked about the status of our response to DOH for the WSP. Bob said he's nearly finished with editing and still has to move the cross connection information section to the Appendix. They (NTI) should be done and ready to submit the full revised WSP to DOH in a few weeks. He said it's now 3" thick instead of just 2".

Bob addressed Marie's question about revising the DOH Water Facilities Inventory (WFI) to reflect our part-time residents by saying we assume that all residents are here at least more than 180 days per year and that we don't need to modify our WFI. Bill replied that the primary issue is the projected water use at full buildout, not impacted by part-time residents. We can't assume that some people will be gone because they might not be in the future.

Bill and Ed addressed Marie's suggestion that "it will be easier to approve 192 AFY than 225 AFY and less likely to be appealed. Also, since we will be processing "out of line" as part of our settlement on the appealed superseding permit, any request for additional water (over 192 AFY) may need to go through cost reimbursement." Both felt that was inconsistent with earlier assurances and an inappropriate threat just to try to pressure us to give in to the 192 figure.

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Bill also said that we'll need to ask DOE for a time extension beyond 12/31/12 as stated in our settlement agreement, largely because of DOE's own delay in responding to the information that Bill had submitted in a timely manner. He will discuss an extension of 60 days with DOE. We all desire to bring this matter to a conclusion rather than have to go back to the appeal process and start over. Bill felt that it may only take a letter agreed to by both parties to extend the agreement.

Bob said he can resubmit the WSP in a few weeks and Ed said that DOE will get a copy at that time. Bill will respond to Marie's email per our discussion and ask for the time extension. The conference call ended at 2 pm.

Stew provided Ed with some more updated water meter reading information. We just need to complete the final numbers for both the WSP and this DOE request. We continued with some discussion about the whole process and how we need to see it through to get this settled. We'll still have to periodically (every 5 years) update DOE on our status toward build out but shouldn't have to fight for the water rights again.

2. Stew and Scott stayed on so Stew could show Scott how the meter reading data is developed on the computer.

This meeting will suffice for the December meeting. **NO MEETING NEXT WEEK!** We may need to have a special meeting later if we need to act on or reply to DOE regarding a time extension. Other than that, the next meeting will be on **January 8, 2013 at 5 pm at the Office.**

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WORKSHOP COMMITTEE
December 5, 2012

The meeting was held on the first Wednesday of the month at 9:00 AM December 5, 2012 in the Cape George Workshop.

The following attended Art Burke, Manager, Ken Owen, Chair, Committee members, Scott James, Paul Happel, Tom Ramsey, Mac McDonald, Bob Skoien, and Dick Poole

Decisions Made at meeting

1. The shop flooded in 1984 and conditions are looking similar this year. We discussed having bags and sand available to protect the shop and exercise room should we have storms during the high tides in December. Art will be getting the supplies.
2. It was discovered that despite the sign (Power tools do not leave the marina!!) members are checking power tools out. We will remove the sign and replace it with a new sign that more closely reflects how the members are using the workshop; we might need a CP rule to address this.
3. We will add a phone number box to the tool check out form to make tracing missing tools easier to find. Scott will make this change.
4. The welding shop will be locked and the key removed from the lock box, only members certified by Ken Owen or Mac McDonald and issued a key will be allowed to use the welding equipment.
5. We continue to work on web access in the shop. Tom will be looking into an amplifier repeater.
6. Shop rules. We have a list that is posted in the shop and on the new email address.
7. New shop email address -- workshopcpg@gmail.com . We will be storing shop information (inventory, meeting notes, forms, shop manuals, etc.) in the cloud at this address. Any members wishing to view this information should contact Scott James (360) 379-2570 or send an email to the new workshop email for instructions on how access this information.
8. Is our first aid kit adequate? It was decided the first aid kit is adequate if we add aspirin, the kit should be reviewed on an annual basis.
9. We need a MSDS (Material Safety Data Sheets) book for the shop. Art will look into.

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Discussed at meeting no decision made:

1. We talked about a boat for moving logs out of the marina basin.

What have we been doing this month?

Things are starting to slow down as more members head south for the winter. We continue to clean and reorganize the shop and the small tool room. Come and join us on Wednesdays at 9:00 AM to help make the shop better for everyone. Everyone is invited and welcome.

The Cape George Workshop wishes all the members of the Cape George Community, a Merry Christmas and a Happy New Year.

Thanks this month to:

Ron Niccoli for finally solving the question what is the trigger for on the radial arm saw? Stop by the shop for the answer.

Joyce Skoien for sewing the new covers for the computer equipment

Thad Bickling for attending the meeting last month and for his suggestions on signage

Art Burke for the new plug lockouts allowing us to temporarily decommission damaged equipment.