

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
January 11, 2018  
3:30 PM

**President Katie Habegger called the meeting to order at 3:30 p.m.**

Welcome

There will be an executive session following this meeting to discuss a personnel matter

**In Attendance:** Katie Habegger, Richard Hilfer, Karen Krug, Carol Wood, Joel Janetski, Ray Pierson and Ross Anderson.

**Action on Minutes:** Carol Wood moved and Ray Pierson seconded to approve the minutes of the Regular Board Meeting dated December 14, 2017. Passed – 6/0

**Membership Report:** Carol Wood

Patrick & Christine McFaul purchased 311 Victoria Loop at auction

**Treasurer's Report:** Karen Krug

**CAPE GEORGE COLONY CLUB, INC. TREASURER'S REPORT  
PRELIMINARY STATEMENTS - SUBJECT TO CHANGE - As of December 31, 2017**

The following are a highly summarized comparative balance sheets and statements of revenues and expenses. Detailed preliminary statements are available on the Cape George website and more detailed financial information is available for review in the office.

This year, like last, preliminary statements are being provided in the normal month-end time frame. December financial activity will not be completed until the third or fourth week in January when statements are sent to the external auditors and as a result, the values presented here will change.

**ALTHOUGH IT IS NOT ANTICIPATED THERE WILL BE MATERIAL CHANGES BETWEEN THESE PRELIMINARY STATEMENTS AND THOSE PROVIDED TO THE AUDITORS, EXCEPT FOR THE RECOGNITION OF DEPRECIATION, CAUTION SHOULD BE EXERCISED WHEN REVIEWING OR RELYING ON THIS PRELIMINARY INFORMATION.**

<b>Balance Sheet as of December 31, 2017 and 2016</b>							
<b>Assets</b>	<b>2017</b>	<b>2016</b>		<b>Liabilities and Fund Balances</b>	<b>2017</b>	<b>2016</b>	
Cash and Cash Equivalents:				Current Liabilities:			
Operations Checking + Petty Cash	\$ 90,533	\$ 127,564		Accounts Payable & Other Liabilities	\$ 19,682	\$ 21,008	
Operating Investment-Savings	82,024	88,249	B1	Unearned Income General/Water/Etc.	71,323	77,679	B6
Reserves-General, Water & Marina	885,022	699,145	B2	Unearned Reserve Assessment	11,866	14,608	B6
Routine Reserve Assessment	12,344	14,657	B3	Unearned Income Marina Wait List	1,650	1,000	B7
Total Cash & Equivalents	1,069,923	929,615		Total Current Liabilities	104,521	114,295	
Net Accounts Receivable	(498)	421	B4	<b>FUND BALANCES:</b>			
Total Net Fixed Assets	1,878,809	1,918,865	B5	Fund Balances (Combined)	2,653,054	2,507,695	
Total Prepaid & Other Assets	22,276	20,799		Modified Cash Basis Income	212,935	247,710	B8
<b>Total Assets</b>	<b>\$2,970,510</b>	<b>\$2,869,700</b>		<b>Total Liabilities &amp; Fund Balance</b>	<b>\$2,970,510</b>	<b>\$2,869,700</b>	

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**BALANCE SHEET COMMENTS:**

B1 - The savings account was established by Member vote in 1996 with a requirement that it maintain a minimum balance of \$70,000. The savings account is not a reserve account.

B2 - The 2017 reserve accounts **do** include the minimum transfer of excess operating cash as well as the allocation of the reserve assessment. The individual reserve balances are: General = \$225,376; Water = \$554,668; and Marina = \$104,979.

B3 - At year end this account is comprised primarily of next year's, or prepaid, assessments. (See also Comment #5)

B4 - Year-end adjustments to the uncollectible accounts estimation will result in a small increase to 2017 net receivables.

B5 - Annual depreciation, which reduces Net Fixed Assets, is not yet included. The values for 2017 and 2016 are \$124,000 and \$111,000 respectively.

B6 - The amounts in these accounts represent amounts collected in 2017 for 2018 assessments, fees and charges.

B7 - Marina wait list collections become income only when a slip is received or when a Member withdraws from the wait list. As of 12/31/17 there were sixteen (16) boats on the wait list with the majority in the over 29 ft. category.

B8 - Net income will change as a result of some of the adjustments discussed earlier as well as any adjustments required to prepare statements for audit and any adjustments required by the external auditors. The biggest single adjustment will be a depreciation entry mentioned above.

CAPE GEORGE COLONY CLUB, INC. TREASURER'S REPORT									
PRELIMINARY - SUBJECT TO CHANGE - As of December 31, 2017									
Summary Revenue and Expense Statements for the periods ended December 31, 2017 and 2016 respectively (Modified Cash Basis)									
2017 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2017 YTD	2016 YTD	Variance	%
<b>Reserves</b>					<b>Reserves</b>				
Routine Reserve Assmnt	\$ 121,808	\$ 121,808	-	0%	Routine Reserve Assmnt	\$ 121,808	\$ 119,160	\$ 2,648	-2%
Assmnt Other Income/(Exp)	(2,047)	-	(2,047)	100% R1	Assmnt Other Income/(Exp)	(2,047)	-	(2,047)	100%
Bad Debts & Recoveries	(719)	(920)		-22%	Bad Debts & Recoveries	(719)	487		248%
Reserve Interest - all	778	64	714	>100%	Reserve Interest - all	778	457	321	-70%
<b>Reserve Net Income</b>	<b>\$ 119,820</b>	<b>\$ 120,952</b>	<b>\$ (1,132)</b>	<b>-1%</b>	<b>Reserve Net Income</b>	<b>\$ 119,820</b>	<b>\$ 120,104</b>	<b>\$ (284)</b>	<b>0%</b>
RESERVE COMMENTS:									
R1 - Non-capitalized purchase of fitness room equipment. Since most items on the reserve schedule are \$3,000 or greater, this transaction is unusual.									

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2017 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2017 YTD	2016 YTD	Variance	%
<b>GENERAL</b>					<b>GENERAL</b>				
General Assessment	\$ 286,408	\$ 286,408	-	0%	General Assessment	\$ 286,408	\$ 286,408	\$ -	0%
Donations	8,630	-	8,630	>100%	Donations	8,630	4,091	4,539	111%
Revenue - All Other Sources	31,519	24,570	6,949	28%	Revenue - All Other Sources	31,519	23,450	8,069	34%
Total General Revenue	326,557	310,978	6,949	5%	Total General Revenue	326,557	313,949	8,069	4%
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	139,642	142,224	2,582	2%	Salaries, Benefits, PR Tax	139,642	137,041	(2,601)	-2%
Repairs & Maintenance	14,124	21,415	7,291	34%	Repairs & Maintenance	14,124	9,833	(4,291)	-44%
Contracted Services	40,222	45,768	5,546	12%	Contracted Services	40,222	36,203	(4,019)	-11%
Pool Expense inc. Utilities	35,132	21,500	(13,632)	-63%	Pool Expense inc. Utilities	35,132	24,444	(10,688)	-44%
Insurance	19,001	19,529	528	3%	Insurance	19,001	18,686	(315)	-2%
Supplies, Small Tools, etc.	14,775	12,330	(2,445)	-20%	Supplies, Small Tools, etc.	14,775	10,974	(3,801)	-35%
Utilities	10,568	8,500	(2,068)	-24%	Utilities	10,568	8,645	(1,923)	-22%
Business & Property Tax	1,743	1,850	107	6%	Business & Property Tax	1,743	1,021	(722)	-71%
Federal Income Tax	1,120	600	(520)	>100%	Federal Income Tax	1,120	550	(570)	-104%
Bad Debts	2,735	2,764	29	1%	Bad Debts	2,735	2,154	(581)	-27%
Purchases - New Capital	16,368	-	(16,368)	>100%	Purchases - New Capital	16,368	6,986	(9,382)	-134%
Other Expenses	3,748	2,625	(1,123)	-43%	Other Expenses	3,748	3,193	(555)	-17%
Total General Expenses	299,178	279,105	2,315	-7%	Total General Expenses	299,178	259,730	(21,914)	-15%
General Net Income	<b>\$ 27,379</b>	<b>\$ 31,873</b>	<b>\$ (4,494)</b>	-14%	General Net Income	<b>\$ 27,379</b>	<b>\$ 54,219</b>	<b>\$ (26,840)</b>	-50%

**GENERAL OPERATIONS COMMENTS:**

G1 - In 2017 donations were primarily donated small tools and equipment and include: Yard tools (\$3,475); Welder/Generators (\$2,250); Utility trailer (\$2,000); Small welder (\$800); and a cash donation (\$100). Donations are never budgeted.

G2 - There are numerous different types of in this line item and most performed at levels consistent with both budget and prior year. Several exceptions include fines of \$3,000 compared to a budget and prior year of \$500 each. The 2017 fines included two very large construction fines. Also, this line includes \$3,600 in the unbudgeted gains from the disposal of the two trucks that were replaced in 2017.

G3 - The largest component of general repairs and maintenance are an annual minor road repair which is generally budgeted around \$12,000 to ensure there are always sufficient funds for road repairs. In 2017 actual road repairs were nearly \$5,000 below the budget and no repairs were deferred. In 2016 road repairs totaled less than \$1,000 and again, no minor repairs were deferred.

G4 - In 2017 contracted services included the budgeted tri-annual external reserve study which is split across all three cost centers. The budget for general contracted services also included \$3,000 budgeted for legal fees that were not needed.

G5 - Pool expenses, especially utilities, were driven higher by a combination of PUD's multiplier correction, colder weather at the beginning of the year and the installation of the dehumidification system. These factors have been discussed in more detail in prior months. Utility bills are usually received in the middle of the following month so an estimate for December bills has been included.



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G6 - Cape George is not recognized as a non-profit for Federal income tax purposes and some revenue items are subject to income tax. Calculation of the actual tax liability is not practical until the audit is completed so this item varies considerably from year to year.

G7 - This year the lease on the office copier expired and the equipment it was purchased for around \$4,600. Also in 2017 about \$12,000 was necessary to complete the workshop drainage project. The total cost of that project was \$16,000. New capital cannot be acquired with reserve funds but must be acquired with current operating revenue or general operations savings.

G8 - Other expenses in 2017 included about half of the \$3,900 cost of recruiting a new Manager with Water operations paying the other half. Recruitment costs were not budgeted.

G9 - General net income can be used to increase the balance in the operations savings account, to acquire new capital and/or to discretionarily augment reserves. Net income although 14% lower than budget is a reasonable result given all the unusual events of 2017. Of greater concern is the comparison between 2017 and 2016 net income which is one of the reasons for the 2018 modest increase in the General Assessment.

<b>CAPE GEORGE COLONY CLUB, INC. TREASURER'S REPORT</b>										
<b>PRELIMINARY - SUBJECT TO CHANGE - As of December 31, 2017</b>										
<i>Summary Revenue and Expense Statements for the periods ended December 31, 2017 and 2016 respectively (Modified Cash Basis)</i>										
<b>2017 Year to Date</b>					<b>COMPARATIVE</b>					
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>		<b>2017 YTD</b>	<b>2016 YTD</b>	<b>Variance</b>	<b>%</b>	
<b>Water</b>					<b>Water</b>					
Revenue - Water Use Fees	\$ 186,960	\$ 186,120	\$ 840	0%	W1	Revenue - Water Use Fees	\$ 186,960	\$ 185,130	\$ 1,830	1%
Revenue - All Other Sources	5,544	2,000	3,544	177%	W2	Revenue - All Other Sources	5,544	7,263	(1,719)	-24%
Total Water Revenue	192,504	188,120	4,384	2%		Total Water Revenue	192,504	192,393	111	0%
Expenses:						Expenses:				
Salaries, Benefits, PR Tax	63,249	64,013	764	1%		Salaries, Benefits, PR Tax	63,249	61,769	(1,480)	-2%
Repairs & Maintenance	14,785	14,385	(400)	-3%		Repairs & Maintenance	14,785	5,704	(9,081)	-159%
Contracted Services	17,275	18,158	883	5%		Contracted Services	17,275	17,141	(134)	-1%
Supplies, Small Tools, etc.	10,730	14,550	3,820	26%	W3	Supplies, Small Tools, etc.	10,730	11,500	770	7%
Insurance	9,692	10,014	322	3%		Insurance	9,692	9,807	115	1%
Utilities	12,057	12,400	343	3%		Utilities	12,057	11,060	(997)	-9%
Business & Property Tax	10,471	11,300	829	7%		Business & Property Tax	10,471	12,009	1,538	13%
Federal Income Tax	-	-	-	N/A	W4	Federal Income Tax	-	0	0	N/A
Bad Debts	1,080	1,440	360	25%		Bad Debts	1,080	720	(360)	-50%
Other Expenses	3,076	1,188	(1,888)	-159%	W5	Other Expenses	3,076	1,239	(1,837)	-148%
Total Water Expenses	142,415	147,448	5,033	3%		Total Water Expenses	142,415	130,949	(11,466)	-9%
<b>Water Net Income</b>	<b>\$ 50,089</b>	<b>\$ 40,672</b>	<b>\$ 9,417</b>	<b>23%</b>	<b>W6</b>	<b>Water Net Income</b>	<b>\$ 50,089</b>	<b>\$ 61,444</b>	<b>\$(11,355)</b>	<b>-18%</b>

**WATER COMMENTS:**

W1 - The slight difference between 2017 actual and budget and when compared to 2016 is the result of new water users. There are currently 522 water connections at Cape George.

W2 - New water hookup fees, \$970 each, are not budgeted. The \$3,800 in 2017 fees is lower than the \$4,800 in 2016 fees. The other component in this line item is excess water use and the \$1,550 recognized in 2017 is slightly lower than the budget and a bit lower than the \$2,300 in fees in 2016.

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W3 - The chemical supplies used to treat our water comprise the biggest piece of this category. These were slightly lower than both budget and the prior year. Other items in this grouping were all slightly lower than budget and nearly identical to last year.

W4 - Water system transactions are not currently subject to Federal income taxation.

W5 - Other expense include one-half of the \$3,900 in recruiting costs with General operations paying the other half.

W6 - As in years past, water operations performed better than their budget but not as well as the prior year. To ensure adequate cash flow it may be necessary to look at minor water fee increases in the future although none are planned in 2018.

2017 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2017 YTD	2016 YTD	Variance	%
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 54,294	\$ 55,500	\$ (1,206)	-2%	M1	Revenue - Moorage/Parking	\$ 54,294	\$ 55,345	\$ (1,051) -2%
Donations	1,736	-	1,736	>100%	M2	Donations	1,736	-	1,736 >100%
Revenue - All Other Sources	15,088	11,305	\$ 3,783	33%	M3	Revenue - All Other Sources	15,088	9,804	5,284 54%
Total Marina Revenue	69,382	66,805	2,577	4%		Total Marina Revenue	69,382	65,149	4,233
Expenses:						Expenses:			
Salaries, Benefits, PR Tax	15,179	15,006	(173)	-1%		Salaries, Benefits, PR Tax	15,179	13,394	(1,785) -13%
Repairs & Maintenance	13,506	20,750	7,244	35%	M4	Repairs & Maintenance	13,506	14,393	887 6%
Contracted Services	7,742	5,649	(2,093)	-37%	M5	Contracted Services	7,742	6,623	(1,119) -17%
Supplies, Small Tools, etc.	1,957	1,670	(287)	-17%		Supplies, Small Tools, etc.	1,957	2,298	341 15%
Insurance	6,763	6,456	(307)	-5%		Insurance	6,763	6,024	(739) -12%
Utilities	6,523	6,000	(523)	-9%		Utilities	6,523	5,152	(1,371) -27%
Business & Property Tax	234	600	366	61%		Business & Property Tax	234	328	94 29%
Federal Income Tax	1,120	-	(1,120)	>100%	M6	Federal Income Tax	1,120	550	(570) -104%
Bad Debts	-	-	-	0%		Bad Debts	-	702	702 >100%
Other Expenses	711	1,088	377	35%		Other Expenses	711	456	(255) -56%
Total Marina Expenses	53,735	57,219	3,484	6%		Total Marina Expenses	53,735	49,920	(3,815) -8%
<b>Marina Net Income</b>	<b>\$ 15,647</b>	<b>\$ 9,586</b>	<b>\$ 6,061</b>	<b>63%</b>	<b>M7</b>	<b>Marina Net Income</b>	<b>\$ 15,647</b>	<b>\$ 15,229</b>	<b>\$ 418 3%</b>

**MARINA COMMENTS:**

M1 - Boat parking and moorage are slightly lower this year than budget and also slightly lower than the prior year.

M2 - Donations include \$1,600 in cash that was designated specifically for road repair and also a donated weather station.

M3 - Most other items that comprise this grouping performed at or near budget. There were several atypical revenue events in 2017 including: a \$702 recovery of a bad debt; the remaining \$642 dollars from the sale the foreclosed sailboat.

M4 - This category is mostly costs associated with dredging and dock repair. No rock was added to the jetty this year or last year and as a result dredging was \$3,700 lower than budget and in line with last year. Dock repairs of \$2,500 were \$5,000 lower than budget.

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M5 - In 2017 contracted services contains an accrual of \$4,000 for the Coast Geologic analysis which may have to be moved to a 2018 expense item if receipt of the preliminary report cannot be confirmed.

M6 - Some Marina revenue activities are considered taxable income for Federal purposes.

M7 -The Marina's overall performance in 2017 is better than budget and consistent with the prior year.

**Manager's Report:** Sharon Mitchel

Christmas Eve in Cape George was picture perfect! There was just enough snow to give us a beautiful "White Christmas." Unfortunately, during this event, 8 cars were stuck at the top of the Colony entrance on the icy road. Donnie was called in to scrape and salt the road. He then he led the weary drivers down the hill to safety. Thank you Donnie! A car also slipped off S. Palmer and into a vacant lot. Fortunately, no one was hurt.

The speed monitoring tubes are now functioning properly. We will continue monitoring speed through the community. We now have our first of many weekly reports and have begun analyzing data. We are also researching pole mounted digital display signs that provide feedback to drivers.

The new swimming pool heat pump seems to be functioning well.

We will be repairing the sheetrock and painting the pool room starting January 22<sup>nd</sup>. Ken Owen rebuilt the bench supports for the pool room. Donnie is painting them and will re-install them after the room is painted. The project could take up to two and a half weeks and the pool will need to be closed during that time.

The Clubhouse roof is leaking on the west side of the building. Repairs will likely be made next week.

The Clubhouse furnace quit working over the weekend. We were all a little embarrassed when the Air Flo technician told us the problem was a tripped breaker at the bottom of the unit. We are looking for a way to shield the breaker so it isn't accidentally tripped in the future.

We continue to have challenges with the clubhouse dishwasher. Since it doesn't have a garbage disposal, food particles on the dirty dishes gather at the bottom to rot until someone smells and cleans the machine several days later. This has been an ongoing issue for years so we are asking for your help. Dishes need to be thoroughly scraped and rinsed before being loaded into the racks. The screen at the bottom needs to be cleaned of any food debris after use. Complete use instructions are posted on the cupboard door.

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The tank farm emergency generator was load tested last month. This was the first time it had been tested in 8 – 10 years and it functioned properly. We will test it again in 4 years.

The Huckleberry mailboxes have arrived! A volunteer designed a structure and two volunteers will be building it this month.

The Sr Bookkeeper and I will be preparing updates to EMP01 in the coming month to reflect Washington State changes to sick leave. A draft of EMP01 changes will be provided to the Trustees for consideration at the February Study Session.

Projects being worked on by the Office Administrator:

- Marina registration is well underway
- Invoices for annual water overages are being mailed.

Projects being worked on by the Caretaker:

- Repairing a water meter valve that was broken by a plumber trying to turn off the water.

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

- Complaint of exterior lights being left on in the Village.
- Mailboxes were once again broken into.
- Signs and telephone boxes in the Highlands are being defaced

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Water  
The report is attached to these minutes and incorporated by reference.

**Information Items:**

- A. The proposed Clubhouse rental rules were discussed, will be edited, posted in the newsletter for comment and then presented to the Board for consideration in February
- B. Speeding, speed monitoring and purchasing of speed signs was discussed.
- C. Clubhouse security, security cameras and camera estimates were discussed.
- D. Fundraising and charitable collection activities within Cape George were discussed. Since charitable fundraising is not permitted in our Covenants, it was agreed that unfortunately Cape George facilities and committees could not be used for such activities. The Social Club is not subject to these restrictions. Any announcements from charitable organizations published in the newsletter should be in the form of paid advertising. The Social Club receives the proceeds from paid newsletter advertising.

**Member participation: None**

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**New Business Action Items:**

**Motion 1:** Carol Wood moved and Karen Krug seconded that the \$250 fine levied against Paul & Kathy Tibert last month for not completing the exterior of their home at 175 Bridle within 6 months be abated since written confirmation of completion has now been received. Passed - 6/0

**Motion 2:** Richard Hilfer moved and Joel Janetski seconded to approve the resolution to transfer \$11,262.97 from General Reserves to Operations checking for the replacement of a pool heat pump. Passed – 6/0

**Motion 3:** Richard Hilfer moved and Carol Wood seconded to approve 8 due date adjustment requests from 6 members. Passed- 6/0

**Motion 4:** Karen Krug moved and Joel Janetski seconded the Board approve a 2017 total Allowance for Doubtful accounts in the amount of \$3,200 with appropriate allocation, rather than the \$4,500 approved in December 2017 for the reasons outlined in a Treasurer’s memo dated January 5, 2018. Passed – 6/0

**Open Board Discussion:**

**Announcements:**

- A. Study Session – February 13, 2018 3:00 P.M.
- B. Board Meeting – February 15, 2018 3:30 P.M.

**Adjournment:** Richard Hilfer moved and Ray Pierson seconded to adjourn to Executive Session at 3:40 pm. Passed – 6/0

Carol Wood moved and seconded by Karen Krug to adjourn the Executive Session and return to regular session. 4:10 p.m. Passed – 6/0

Carol Wood moved and seconded by Karen Krug to adjourn the regular session at 4:11 p.m. Passed- 6/0

**Submitted by:**

**Approved by:**

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Carol Wood, Secretary

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Katie Habegger, President



CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
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**Committee reports:**

**CAPE GEORGE WATER ADVISORY COMMITTEE**

**MEETING REPORT, JANUARY 2, 2018**

The meeting was held at 5:00 pm at the Office. The following attended: Sharon Mitchel, Manager; Karen Krug, Board Liaison; Larry Southwick, Committee Chair; and members Scott James and Stewart Pugh.

1. We had some complaints/reports of chlorine taste/smell in the water mid-November to mid-December. Greg and Donnie worked to resolve operational issues with the chlorine pump and finally replaced it with a new chlorine injector. That has resolved the problem and also reduced the amount of chlorine that we use.
2. Sharon reported that Greg was finally successful in getting someone to run a load test on the emergency generator which was completed last week at a cost of around \$850. The equipment passed all tests, no issues or repairs.
3. They have replaced all the locks at the water facilities site. We may need to replace some of the doors, at least the one on the chlorine room.
4. Issues with the auto-dialer have been resolved.
5. Stew said we have around 25% connections that use less than 30 gallons per day and only 3% with leak reports. The most common leak reported is toilet flappers.
6. Karen said that the auditor would like the meters read as close to the last day in December as possible. Sharon said that Donnie will read this week and will mark her calendar for have them read in December 2018 at the end of the last week.

The next meeting will be on **February 6, 2018 at 5 pm at the Office.**

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
February 15, 2018  
3:30 PM

**President Katie Habegger called the meeting to order at 3:30 p.m.**

Welcome

There will be an executive session following this meeting to discuss a personnel matter.

**In Attendance:** Katie Habegger, Richard Hilfer, Karen Krug, Carol Wood, Joel Janetski, Ray Pierson and Ross Anderson.

**Action on Minutes:** Carol Wood moved and Joel Janetski seconded to approve the minutes of the Regular Board Meeting dated January 15, 2018. Passed – 6/0

**Membership Report:** Carol Wood

Darryl & Robin Fling purchased 120 Pine from Paul & Tam Alleva  
Thomas & Allison Warren purchased lot 34-3 S Rhododendron Dr from Glenn Svendsen  
Joseph & Dawn Reis purchased 450 Saddle Dr from Renato Zandanel  
Jonathan & Monica Bennett purchased 83 Ridge Dr from Ed Thompson  
Jacques Thiry & Colleen Randle purchased 31 Maxwell Ave from Stone (Ken) Spicer

**Treasurer's Report:** Karen Krug

## **TREASURER'S REPORT**

### **As of January 31, 2018**

*A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website. The detailed statements as well as additional monthly financial material and are also available for review in the office as are the quarterly internal control reports.*

### **2018 BALANCE SHEET COMMENTS**

Bank statements have been received and reviewed with no exceptions. No banks are over the FDIC/NCUA limits although balances at two institutions are very close to the limits. Longer term permanent solutions are being reviewed to reduce the FDIC/NCUA limit strain on current banking arrangements.

As is evidenced in the condensed balance sheet on the next page, there has been little change in most line items when compared to this same time last year.

### **2018 REVENUE AND EXPENSE COMMENTS**

With only one month of the current fiscal year completed, there are few meaningful comments on operations. In addition, staff is still in the process of verifying budget inputs and monthly distributions.

**CAPE GEORGE COLONY CLUB**  
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**2017 AUDIT**

The audit of the 2017 financial activities and results is well underway. Fieldwork, where auditors are on-site reviewing detailed records and transactions, was completed on February 7, 2018 and there were no significant issues raised.

The audit schedule projects that audit results may be available as early as mid-March.

There are differences between how Cape George prepares monthly financial statements and the statements that are sent to the auditors for their review. Most of the differences are related to a full accrual basis of accounting which is required for audit and the modified cash basis used monthly, the major difference between the two being depreciation. Total depreciation expense for 2017 was \$123,321 with the non-cash expense to General of \$77,313; to Water of \$23,961; and to Marina of \$22,047.

CAPE GEORGE COLONY CLUB									
Balance Sheet as of January 31, 2018 and 2017									
Assets		2018	2017		Liabilities and Fund Balances		2018	2017	
Cash and Cash Equivalents:					Current Liabilities:				
Operations Checking		\$ 239,149	\$ 244,579		Accounts Payable & Other Liabilities		\$ 13,625	\$ 13,292	
Operating Investment-Savings		82,035	88,261		Unearned Income General/Water/Etc.		71,085	62,853	
Petty Cash (2 accounts)		600	600		Unearned Income Reserve Assment		17,538	15,923	
Reserves - General, Water & Marina		873,923	693,585		Unearned Income Marina Wait List		1,650	1,200	
Routine Reserve Assessment		47,075	44,208		Total Current Liabilities		103,898	93,268	
Total Cash & Equivalents		1,242,782	1,071,233						
Net Accounts Receivable		9,736	11,713		FUND BALANCES:				
Total Net Fixed Assets		1,769,333	1,820,768		Fund Balances (Combined)		2,758,973	2,654,252	
Total Prepaid & Other Assets		19,300	17,860		Modified Cash Basis Income		178,280	174,054	
TOTAL ASSETS		\$3,041,151	\$2,921,574		TOTAL LIABILITIES & FUND BALANCE		\$ 3,041,151	\$ 2,921,574	
Summary Revenue and Expense Statements for the periods ended January 31, 2018 and 2017 (Modified Cash Basis)									
2018 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2018 YTD	2017 YTD	Variance	%
General					General				
General Assessment	\$ 74,144	\$ 74,144	-	0%	General Assessment	\$ 74,144	\$ 71,602	\$ 2,542	4%
Revenue - All Other Sources	(4,298)	535	(4,833)	>100%	Revenue - All Other Sources	(4,298)	355	(4,653)	>100%
Total General Revenue	69,846	74,679	(4,833)		Total General Revenue	69,846	71,957	(2,111)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	10,469	11,506	1,037	9%	Salaries, Benefits, PR Tax	10,469	9,689	(780)	-8%
Repairs & Maintenance	1,504	614	(890)	-145%	Repairs & Maintenance	1,504	325	(1,179)	-363%
Contracted Services	1,492	1,931	439	23%	Contracted Services	1,492	1,891	399	21%
Insurance	1,603	1,641	38	2%	Insurance	1,603	1,572	(31)	-2%
Pool Expense, pool utilities:	3,506	4,417	911	21%	Pool Expense, pool utilities:	3,506	2,236	(1,270)	-57%
Utilities	800	887	87	10%	Utilities	800	1,009	209	21%
Other Expenses (incl taxes)	738	959	221	23%	Other Expenses (incl taxes)	738	2,289	1,551	68%
Total General Expenses	20,112	21,955	624		Total General Expenses	20,112	19,011	(1,591)	
General Net Income	\$ 49,734	\$ 52,724	\$ (2,990)	-6%	General Net Income	\$ 49,734	\$ 52,946	\$ (3,212)	-6%

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<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 46,980	\$ 46,980	\$ -	0%	Revenue - Water Use Fees	\$ 46,980	\$ 46,530	\$ 450	1%
Revenue - All Other Sources	3,600	1,500	2,100	140%	Revenue - All Other Sources	3,600	1,556	2,044	131%
Total Water Revenue	50,580	48,480	2,100		Total Water Revenue	50,580	48,086	2,494	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	4,804	5,296	492	9%	Salaries, Benefits, PR Tax	4,804	4,504	(300)	-7%
Repairs & Maintenance	134	944	810	86%	Repairs & Maintenance	134	915	781	85%
Contracted Services	1,257	1,632	375	23%	Contracted Services	1,257	1,098	(159)	-14%
Insurance	807	826	19	2%	Insurance	807	806	(1)	0%
Utilities	1,037	1,038	1	0%	Utilities	1,037	871	(166)	-19%
Other Expenses (incl taxes)	2,914	3,599	685	19%	Other Expenses (incl taxes)	2,914	4,322	1,408	33%
Total Water Expenses	10,953	13,335	2,382		Total Water Expenses	10,953	12,516	1,563	
<b>Water Net Income</b>	<b>\$ 39,627</b>	<b>\$ 35,145</b>	<b>\$ 4,482</b>	13%	<b>Water Net Income</b>	<b>\$ 39,627</b>	<b>\$ 35,570</b>	<b>\$ 4,057</b>	11%
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 51,176	\$ 44,875	\$ 6,301	14%	Revenue - Moorage/Parking	\$ 51,176	\$ 47,763	\$ 3,413	7%
Revenue - All Other Sources	9,126	7,563	1,563	21%	Revenue - All Other Sources	9,126	8,375	751	9%
Total Marina Revenue	60,302	52,438	7,864		Total Marina Revenue	60,302	56,138	4,164	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	1,201	1,334	133	10%	Salaries, Benefits, PR Tax	1,201	1,090	(111)	-10%
Repairs & Maintenance	51	146	95	65%	Repairs & Maintenance	51	6	(45)	-750%
Contracted Services	226	386	160	41%	Contracted Services	226	215	(11)	-5%
Insurance	565	533	(32)	-6%	Insurance	565	561	(4)	-1%
Utilities	400	542	142	26%	Utilities	400	830	430	52%
Other Expenses (incl taxes)	329	564	235	42%	Other Expenses (incl taxes)	329	1,107	778	70%
Total Marina Expenses	2,772	3,505	733		Total Marina Expenses	2,772	3,809	1,037	
<b>Marina Net Income</b>	<b>\$ 57,530</b>	<b>\$ 48,933</b>	<b>\$ 8,597</b>	18%	<b>Marina Net Income</b>	<b>\$ 57,530</b>	<b>\$ 52,329</b>	<b>\$ 5,201</b>	10%
<b>Reserve Activity</b>					<b>Reserve Activity</b>				
Routine Reserve Revenue	31,114	31,114	-	0%	Routine Reserve Revenue	31,114	30,452	662	2%
Bad Debts, Recoveries, Misc	109	-	109	0%	Bad Debts, Recoveries, Misc	109	-	109	N/A
Reserve Interest - all	165	1	164	0%	Reserve Interest - all	165	47	118	251%
<b>Net Reserve Income</b>	<b>\$ 31,388</b>	<b>\$ 31,115</b>	<b>\$ 273</b>	1%	<b>Net Reserve Income</b>	<b>\$ 31,388</b>	<b>\$ 30,499</b>	<b>\$ 889</b>	3%
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 178,280</b>	<b>\$ 167,917</b>	<b>\$ 10,362</b>	6%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 178,279</b>	<b>\$ 171,344</b>	<b>\$ 6,273</b>	4%

**Manager's Report:** Sharon Mitchel

Our pool painting project began late January and is now complete. Pacific Drywall did a beautiful job repairing the holes in the ceiling left by the previous vents. They also repaired the drywall damaged by years of excess humidity. Once the sheetrock was repaired, Phillips Painting came in and repainted the room. Please drop by to take a look (or even enjoy a dip in the pool!). Either later this spring or early fall we will close the pool again to replace the showers.

In January we contracted with DF Electric to install a new dock electrical system early this summer. Our Marina volunteers will be doing the dock prep work in April and May. We hope to keep dock closure to a minimum but the docks may be closed to members at times during the project. We will do our best to provide advance notice.

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Speed Monitors. Most of us are driving under 25 mph. There were still many instances over that speed with the top recorded speed this month of 52.8 mph on N. Palmer. We will continue monitoring speed and are asking members to slow down.

The Marina Sediment study is nearly complete. The remaining question is how far south of the channel we should place dredged sediment to hopefully minimize its return to the channel.

The Harbormaster is in the process of assigning slips. It appears that all members on the 20-29' boat waitlist will be offered slips. We will also be offering a slip to one of the boaters on the over 30' list. The Harbormaster has been very careful in assigning slips to be sure the water is deep enough at low tide for the boats. She also intends to accommodate as many boats as possible without reducing the space available to maneuver the boats. She has been careful to consider the safety of the majority of boaters.

2 items in the Fitness room have needed repair over the last month. Thank you volunteers for helping with the work.

Projects being worked on by our Senior Bookkeeper

- All vendor 1099 and employee W-2 forms have been sent out
- Sally has been preparing year end accounting documents and has begun working with the Auditor on our 2017 audit.

Projects being worked on by the Office Administrator:

- 2018 moorage renewal payments have been received.
- Terri has processed a large volume of January assessments

Projects being worked on by the Caretaker:

- Once the painters finished, Donnie cleaned the pool tiles and decking, rehung the posters and reinstalled the benches
- Removed graffiti from street signs in the Highlands

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

- Barking dog in the Colony
- Survey stakes removed from a members property shortly after having the property surveyed
- Hedges in the Village



**CAPE GEORGE COLONY CLUB  
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**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Marina and Pool

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

**Information Items:**

- A. Security cameras at the mailboxes and amenities were discussed. Game cameras for the mailboxes won't be an option at this time. The Trustees instructed the Manager to look into high speed internet for the clubhouse so cameras can be used there.
- B. Traffic speed surveys were discussed. The Manager was directed to purchase additional speed limit signs.
- C. The Trustees discussed the dock electric project.

**Member participation:** None

**New Business Action Items:**

**Motion 1:** Richard Hilfer moved and Ray Pierson seconded to approve CP02 Use of the Clubhouse rule and related forms as discussed at the Study Session. Passed 6-0

**Motion 2:** Motion to approve EMP01 Personnel Policy – Deferred.

**Motion 3:** Ross Anderson moved and Ray Pierson seconded to approve Resolution 2-12-18 to transfer \$325 from Marina Reserves to General Checking account for marina dock electrical project. Passed 6-0

**Motion 4:** Joel Janetski moved and Carol Wood seconded to approve Resolution 2-13-18 to transfer \$3,060 from General Reserves to general Checking account to reimburse for the pool project. Passed 6-0

**Motion 5:** Carol Wood moved and Joel Janetski seconded to approve 3 member requests for due date adjustments. Passed 6-0

**Open Board Discussion:** The trustees were given a draft of the booklet "Hot Topics" put together to welcome new members. Carol Wood requested comments and additions from the trustees within the next two weeks.

**Announcements:**

- A. Study Session – March 13, 2018 3:00 P.M.
- B. Board Meeting – March 15, 2018 3:30 P.M.

**Adjournment:** Ross Anderson moved and Richard Hilfer seconded to adjourn to Executive Session at 4:00 pm. Passed 6-0

**CAPE GEORGE COLONY CLUB  
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Richard Hilfer moved and Ray Pierson seconded to adjourn the Executive Session and return to regular session at 4:20 pm. Passed 6-0

A motion was made by Karen Krug and seconded by Joel Janetski that, because several employees failed to take sufficient vacation time in 2017 and would, therefore, forfeit hours according to EMP01, to make an extra payment to each of two (2) impacted employees equivalent of two full days or 16 hours at 12/31/2017 pay rate as extra pay subject to all normal withholdings. Passed 6-0

A motion was made by Carol Wood and seconded by Ross Anderson to adjourn the regular session at 4:26 pm. Passed 6-0

**Submitted by:**

**Approved by:**

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**Carol Wood, Secretary**

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**Katie Habegger, President**

**Committee reports:**

**Marina Committee Meeting, February 13, 2018**

**THE MARINA NEEDS YOUR USED BOATING AND EQUIPEMNT FOR THE UPCOMING MARINA SALE.  
LOOK FOR CONTACT INFO ON THE BULLETIN BOARDS.**

Attendees: Cape George Manager Sharon Mitchel, Board Member Carol Wood, Marina Harbormaster Sonja Ericson. Marina Committee: Paul Happel, Lad Burgin, Ben Fellows, Marta Favati, Mac McDonald, Jack Sherting, Bob Schlentner, Jim Bodkin, Arch Bickling, Ken Owen, Bob Tilley, Bill Dunning and Thad Bickling,

The meeting was called to order at 11:00 am by Harbor Master Sonja Ericson.

Marina evening gate closers volunteered for the next 4 weeks.

There will be two major social events as follows: The Marina Sale is slated for April 27 & 28. The reader board in Port Townsend has been reserved; Craig's List, Cape George Newsletter and other means will be used for advertising the sale. The Waterfront Festival, Salmon Barbeque and the Regatta will be held on August 18 as a combined event with the work shop.

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Jim Bodkin informed the committee of the recommendations for the sediment study that included locating dredged material from the marina entrance farther south, and dredging the area just north of the entrance behind the breakwater.

Sonja gave an update on the piling restoration and the cost. The original estimate was \$14,685 in May 2016 for 3 piles. The second estimate from Sil Pro/Ballard Marine was \$48,935 for 3 piles plus \$13,865 for additional piles. An additional estimate of \$9,264 by Sil Pro was for the materials only and we would need to supply divers and workers for the project.

Lad Burgin explained the process for installing the new pedestals and re-wiring the electrical hook-ups in the marina. The old electric pedestals are falling apart, wiring is undersized and the old system is basically obsolete. Through the efforts of a planning team the project will be accomplished this summer. Marina volunteers will prepare the docks for the contracted work. This is expected to take two months of concentrated effort beyond our usual Tuesday work days. The contracted electrical/pedestal installation is expected to take a week to finish.

Mac McDonald explained the cost for the water piping for the marina. It would be most desirable to replace the plumbing system at the same time as the electrical system, but due to the estimated costs received, the project will be pushed into the 2019 year.

The meeting adjourned at 11:45 am.

## **CAPE GEORGE POOL COMMITTEE MEETING NOTES**

### **CG Clubhouse – January 19, 2018**

#### **ATTENDEES:**

Rocky D'Acquisto. – Chair  
Norma Lupkes – Sec.  
Sharon Mitchel – CG Mgr.  
Robin Scherting

NOTES: The current Pool Committee Treasury amount is \$      *These funds are not a part of Cape George Colony Club Homeowner's Association.*

Sharon Mitchel, CG Manager, gave a report on the upcoming pool closure scheduled for 1/22/18-February 9 to do the crucial repairs in the pool area. Contractors were found to replace the old ceiling vents with sheetrock and then patch the blemishes in the walls. After the sheetrock repair is complete, the pool room will be painted.

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There is a possibility that the 2018 reserve project to replace the shower stalls could occur while the pool is closed for the painting project. The shower stalls are in poor shape with the possibility of mold growing behind the shower walls. Aged shower plumbing fixtures need replacement as well. Research into finding one piece shower units that will fit in the current spaces has been unsuccessful and the committee has recommended that tile be used for the units. The office has contacted a tile-setting business and has a bid to do the work. Samples of the tile to be used were shown with a 12x24 tile in silver-gray chosen by the members. The 2018 Reserve Fund has allotted \$6,200, however the bid was approximately \$1,500 above that amount. We asked that the Contractor update the bid to include replacing the 4 fiberglass shower pans that were not included in the original bid. The motion was made, seconded and passed to make up the difference from the Pool Committee treasury with monies earned from past Pool Committee fundraising events.

The St Patrick's Day dinner hosted by the Pool and Emergency Preparation Committees will be held on Saturday March 17, which is St Patrick's Day!! Planning for the event will take place at the next Pool meeting and members of the Emergency Prep Committee will be invited to attend.

Pool Committee now meeting on the second Wednesday of the month at 3:00 in the clubhouse. Next meeting: February 14 at 3:00

Respectfully submitted, Norma J. Lupkes

**CAPE GEORGE COLONY CLUB  
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**President Katie Habegger called the meeting to order at 3:30 p.m.**

Welcome

**In Attendance:** Katie Habegger, Karen Krug, Carol Wood, Joel Janetski and Ross Anderson.

**Action on Minutes:** Carol Wood moved and Joel Janetski seconded to approve the minutes of the Regular Board Meeting dated February 15, 2018. Passed – 4/0

**Membership Report:** Carol Wood

Bernt & Marlene Ericson purchased 181 N Palmer Dr from Dawn Santo

**Treasurer's Report:** Karen Krug

<b>TREASURER'S REPORT As of February 28, 2018</b>									
With only two months of the current year completed there is little that warrants comment. Consequently the financial results through February 28 are presented below in a more highly summarized version than is typical.									
A summarized version of the 2017 audit using the typical Cape George format is included as the last two pages of this report.									
<b>Balance Sheet as of February 28, 2018 and 2017</b>									
<b>Assets</b>	<b>2018</b>	<b>2017</b>		<b>Liabilities and Fund Balances</b>	<b>2018</b>	<b>2017</b>			
Cash and Cash Equivalents:				Current Liabilities:					
Operations Checking	\$ 212,190	\$ 219,789		Accounts Payable & Other Liabilities	\$ 13,005	\$ 22,906			
Operating Investment-Savings	82,044	88,271		Unearned Income General/Water/Etc.	76,105	66,275			
Petty Cash (2 accounts)	600	600		Unearned Income Reserve Assment	18,854	16,884			
Reserves - General, Water & Marina	870,691	693,627		Unearned Income Marina Wait List	1,600	1,300			
Routine Reserve Assessment	49,561	46,563		Total Current Liabilities	109,564	107,365			
Total Cash & Equivalents	1,215,086	1,048,850							
Net Accounts Receivable	3,766	5,432		<b>FUND BALANCES:</b>					
Total Net Fixed Assets	1,782,100	1,836,622		Fund Balances (Combined)	2,761,054	2,653,054			
Total Prepaid & Other Assets	18,449	14,922		Modified Cash Basis Income	148,783	145,407			
<b>TOTAL ASSETS</b>	<b>\$3,019,401</b>	<b>\$2,905,826</b>		<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$3,019,401</b>	<b>\$ 2,905,826</b>			
<b>Summary Revenue and Expense Statements for the periods ended February 28, 2018 and 2017 (Modified Cash Basis)</b>									
<b>2018 Year to Date</b>					<b>COMPARATIVE</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>		<b>2018 YTD</b>	<b>2017 YTD</b>	<b>Variance</b>	<b>%</b>
<b>General</b>					<b>General</b>				
General Assessment	\$ 74,144	\$ 74,144	-	0%	General Assessment	\$ 74,144	\$ 71,602	\$ 2,542	4%
Revenue - All Other Sources	(3,086)	1,146	(4,232)	>100%	Revenue - All Other Sources	(3,086)	2,098	(5,184)	>100%
Total General Revenue	71,058	75,290	(4,232)		Total General Revenue	71,058	73,700	(2,642)	
Less Expenses:					Less Expenses:				
Total General Expenses	39,957	44,612	1,680		Total General Expenses	39,957	40,355	(1,485)	
<b>General Net Income</b>	<b>\$ 31,101</b>	<b>\$ 30,678</b>	<b>\$ 423</b>	<b>1%</b>	<b>General Net Income</b>	<b>\$ 31,101</b>	<b>\$ 33,345</b>	<b>\$ (2,244)</b>	<b>-7%</b>



**CAPE GEORGE COLONY CLUB**  
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General Assessment	\$ 74,144	\$ 74,144	-	0%	General Assessment	\$ 74,144	\$ 71,602	\$ 2,542	4%
Revenue - All Other Sources	(3,086)	1,146	(4,232)	>100%	Revenue - All Other Sources	(3,086)	2,098	(5,184)	>100%
Total General Revenue	71,058	75,290	(4,232)		Total General Revenue	71,058	73,700	(2,642)	
Less Expenses:					Less Expenses:				
Total General Expenses	39,957	44,612	1,680		Total General Expenses	39,957	40,355	(1,485)	
<b>General Net Income</b>	<b>\$ 31,101</b>	<b>\$ 30,678</b>	<b>\$ 423</b>	1%	<b>General Net Income</b>	<b>\$ 31,101</b>	<b>\$ 33,345</b>	<b>\$ (2,244)</b>	-7%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 46,980	\$ 46,980	\$ -	0%	Revenue - Water Use Fees	\$ 46,980	\$ 46,530	\$ 450	1%
Revenue - All Other Sources	3,708	1,500	2,208	147%	Revenue - All Other Sources	3,708	2,635	1,073	41%
Total Water Revenue	50,688	48,480	2,208		Total Water Revenue	50,688	49,165	1,523	
Less Expenses:					Less Expenses:				
Total Water Expenses	20,390	25,220	4,830		Total Water Expenses	20,390	21,844	1,454	
<b>Water Net Income</b>	<b>\$ 30,298</b>	<b>\$ 23,260</b>	<b>\$ 7,038</b>	30%	<b>Water Net Income</b>	<b>\$ 30,298</b>	<b>\$ 27,321</b>	<b>\$ 2,977</b>	11%
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 52,085	\$ 50,485	\$ 1,600	3%	Revenue - Moorage/Parking	\$ 52,085	\$ 50,794	\$ 1,291	3%
Revenue - All Other Sources	9,880	8,543	1,337	16%	Revenue - All Other Sources	9,880	9,712	168	2%
Total Marina Revenue	61,965	59,028	2,937		Total Marina Revenue	61,965	60,506	1,459	
Less Expenses:					Less Expenses:				
Total Marina Expenses	6,133	6,608	475		Total Marina Expenses	6,133	5,754	379	
<b>Marina Net Income</b>	<b>\$ 55,832</b>	<b>\$ 52,420</b>	<b>\$ 3,412</b>	7%	<b>Marina Net Income</b>	<b>\$ 55,832</b>	<b>\$ 54,752</b>	<b>\$ 1,080</b>	2%
<b>Reserve Activity</b>					<b>Reserve Activity</b>				
Net Reserve Income	\$ 31,550	\$ 31,116	\$ 434	1%	Net Reserve Income	\$ 31,550	\$ 30,599	\$ 951	3%
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 148,783</b>	<b>\$ 137,475</b>	<b>\$ 11,307</b>	8%	<b>Cmbnd Net Income/(Loss)(3)</b>	<b>\$ 148,781</b>	<b>\$ 146,016</b>	<b>\$ 2,102</b>	2%

**TREASURER'S REPORT - CAPE GEORGE COLONY CLUB**

**Fiscal Year 2017 Audit**

The 2017 financial audit by Cagianut and Company (C&C) has concluded and a clean, or unqualified, audit opinion has been issued. Only one entry having bottom line impact was made and that relates to the actual 2017 Federal income tax due.

The 2017 Federal income tax was \$159 a value \$2,081 lower than the initial estimate and considerably lower than last year's \$2,238. The annual Federal income tax is not calculated by the tax group of the audit firm until the audit is completed so the value varies considerably. The tax division always recommends that to avoid potential interest and penalty on underpayment of taxes, the current next year's accrual be equal to the prior year's actual liability. Cape George follows this advice.

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Comparative Balance Sheets:

There are some notable changes in the balance sheet since last year. Operating cash is about 29% lower than last year and needs to be carefully monitored to ensure adequate cash on hand for year-end bills. Reserve balances are 26% higher than last year due mostly to the responsible deferment of the Marina electrical project. Net fixed assets, due to the \$123,000 in depreciation expense, show a decrease even though there was about \$75,000 in asset additions during the year. Unearned income is nearly 10% lower than last year indicating that not as many Members are prepaying their next year's assessments and this is also responsible for some of the decrease in year-end operating cash.

Comparative Revenue and Expense Statements (next page):

The combined bottom line, before depreciation, was \$23,000 lower than the prior year. Since major assessments, charges and fees were not increased between 2016 and 2017, the result, while not very good news, was not unexpected. Adding to the lack of revenue increases in 2017 was the increase in utility costs in all cost centers. Labor costs year-over-year were surprisingly comparable given the need to recruit and train a new Manager.

General operations were nearly \$15,000 lower than last year. Pool expenses, driven by high utility costs, exhibited the greatest difference from last year.

Water operations exhibited nearly a \$12,000 decrease from the prior year. Expenses associated with major tank cleaning, which were budgeted, were responsible for nearly all the difference between year-over-year audited values.

Marina operations finished the year nearly \$3,000 ahead of the prior year. A reduction in dock repair expenses couple with the change in the Federal tax liability were the primary reasons for the difference.

*Summarized comparative audit information in the Cape George format is presented below and on the following page. Detailed audited statements are available online and in the Office.*

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<b>Audited Balance Sheets for the years ended December 31 (Cape George Format)</b>					
<b>Assets</b>	<b>2017</b>	<b>2016</b>	<b>Liabilities and Fund Balances</b>	<b>2017</b>	<b>2016</b>
Cash and Cash Equivalents:			Current Liabilities:		
Operations Checking	\$ 89,933	\$ 126,964	Accounts Payable & Other Liabilities	\$ 19,761	\$ 23,487
Operating Investment-Savings	82,024	88,249	Unearned Income General/Water	71,324	77,679
Petty Cash (2 accounts)	600	600	Unearned Income Reserve Assemnt	11,866	14,608
Reserves - General, Water, Marina	885,022	699,145	Unearned Income Marina Wait List	1,650	1,000
Routine Reserve Assessment	12,344	14,657	Due To Operations**	11,263	5,283
Total Cash & Equivalents	1,069,923	929,615	Total Current Liabilities	115,864	122,057
Net Accounts Receivable	334	691			
Total Net Fixed Assets	1,771,040	1,818,723	<b>FUND BALANCES:</b>		
Total Prepaid & Other Assets	24,357	20,799	Fund Balances (Combined)	2,653,054	2,507,695
Due from Reserves**	11,263	5,283	Net Income after Depreciation	107,999	145,359
<b>TOTAL ASSETS</b>	<b>\$2,876,917</b>	<b>\$2,775,111</b>	<b>Total Liabilities and Fund Balance</b>	<b>\$2,876,917</b>	<b>\$2,775,111</b>
** These represent Board approved transfer from Reserve accounts to Operations checking that had not cleared as of 12/31. These are typical at year end and generally clear by the end of January.					
A memo dated March 09, 2018 contains the recommendations for the final 2017 transfer of excess operating cash.					

<b>CAPE GEORGE COLONY CLUB</b>				
<b>Audited Results for the years ended December 31 (Cape George Format)</b>				
	<b>2,017</b>	<b>2,016</b>	<b>Variance</b>	<b>%</b>
General Assessment	\$ 286,408	\$ 286,408	-	0%
Revenue - All Other Sources	40,148	27,540	12,608	46%
Total General Revenue	326,556	313,948	12,608	4%
Expenses:				
Salaries, Benefits, PR Tax	139,512	137,809	(1,703)	-1%
Repairs & Maintenance	14,124	8,066	(6,058)	-75%
Contracted Services	40,222	36,203	(4,019)	-11%
Insurance	19,001	18,686	(315)	-2%
Pool Expense	34,909	24,444	(10,465)	-43%
Supplies & Small Tools	14,934	10,974	(3,960)	-36%
Utilities	10,758	8,645	(2,113)	-24%
Federal Income Tax	159	1,119	960	86%
Other Expenses	8,250	8,375	125	1%
Total General Expenses	281,869	254,321	(12,095)	-11%
<b>General Net Income</b>	<b>44,687</b>	<b>\$ 59,627</b>	<b>\$ (14,940)</b>	<b>-25%</b>



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<b><u>Water</u></b>				
Revenue - Water Use Fees	186,960	\$ 185,130	\$ 1,830	0%
Revenue - All Other Sources	5,544	7,263	(1,719)	-24%
Total Water Revenue	192,504	192,393	111	0%
Expenses:				
Salaries, Benefits, PR Tax	63,249	62,153	(1,096)	-2%
Repairs & Maintenance	14,785	3,937	(10,848)	-276%
Contracted Services	17,275	17,141	(134)	-1%
Insurance	9,692	9,807	115	1%
Supplies & Small Tools	10,730	11,500	770	7%
Utilities	11,914	11,060	(854)	-8%
Federal Income Tax	0	0	-	0%
Other Expenses	14,447	14,779	332	2%
Total Water Expenses	142,092	130,377	(11,715)	-9%
<b><u>Marina</u></b>				
Revenue - Moorage/Parking	54,294	\$ 55,345	\$ (1,051)	-2%
Revenue - All Other Sources	15,088	9,804	\$ 5,284	54%
Total Marina Revenue	69,382	65,149	4,233	6%
Expenses:				
Salaries, Benefits, PR Tax	15,179	13,522	(1,657)	-12%
Repairs & Maintenance	13,506	14,392	886	6%
Contracted Services	7,744	6,623	(1,121)	-17%
Insurance	6,763	6,024	(739)	-12%
Supplies & Small Tools	1,957	2,298	341	15%
Utilities	6,907	5,152	(1,755)	-34%
Federal Income Tax	0	1,119	1,119	100%
Other Expenses	951	2,606	1,655	64%
Total Marina Expenses	53,007	51,736	(1,271)	-2%
<b>Marina Net Income</b>	<b>16,375</b>	<b>\$ 13,413</b>	<b>2,962</b>	<b>22%</b>
<b><u>Reserves</u></b>				
Net Reserve Activity	119,847	119,744	(103)	0%
<b>Cmbnd Net Income/(Loss)**</b>	<b>231,321</b>	<b>\$ 254,800</b>	<b>23,479</b>	<b>-9%</b>
Less: Depreciation Expense	123,322	110,660	(12,662)	-11%
Net Income/(Loss) after Dprn.	107,999	\$144,140	\$36,141	25%

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**Manager's Report: Sharon Mitchel**

We ran speed surveys at 4 more locations in the Colony and Village. Most drivers are traveling under 25 mph which is the good news. There were still many instances over that speed. A particularly dangerous spot is near the Colony entrance where there is significant activity around the mailboxes, office, pickle ball court and barns each day. During our survey at that location, there were 87 cars traveling between 25 – 54.9 mph. The Trustees requested orange caution flags to be placed on the speed limit signs throughout the community and additional speed limit signs for N & S Palmer. The signs will be installed next week. Yesterday a member reported that one of the newspaper carriers drives too fast, so I've contacted the newspapers and asked them to slow down. If you are aware of specific vendors traveling too fast on our roads, please let me know.

The Harbormaster has offered the available slips to members on the Wait List. She hopes to have assignments finalized by the end of this month.

The Huckleberry Mailbox enclosure is complete and mail delivery will begin at the new location later this week. I'd like to thank everyone who has had a part in this project! It certainly hasn't been easy.

We are running out of space in our current Village and Colony mailbox enclosures for new members' mailboxes and the larger replacement mailboxes that members have been purchasing. Cluster mailboxes are quite secure, save space and are cost effective. I encourage you to work with others on your street to purchase locking cluster mailboxes.

We are recruiting for a Seasonal Maintenance Assistant to weed whack ditches and assist with other grounds maintenance. We pay \$16/hour, 20-25 hours per week, April through September. If you know someone who might be interested, please have them call me.

Projects being worked on by the Office Administrator, Terri Brown:

- Providing new ramp and south gate keys to members. Bring in your old key and she'll exchange it!

Projects being worked on by the Caretaker:

- Installed orange flags on our speed limit signs to remind us all to slow down
- Removed a falling tree on Saddle Drive
- Plowed and salted the roads during our late winter snow storm

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

- Member not picking up their dogs' waste on another member's vacant lot in the Colony. Member has been notified.
- Outdoor lights on overnight in the Colony. Member was notified and is turning off light at 10 p.m.



**CAPE GEORGE COLONY CLUB  
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**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Marina, Pool, and Water.  
The reports are attached to these minutes and incorporated by reference.

**Information Items:**

- A. A member whose home exterior was not completed within 6 months notified the Trustees about extenuating circumstances. The Trustees advised that he could request abeyance of fines once the exterior of the home is completed.
- B. The Building Committee will draft updated regulations to clarify issues around guest quarters. Updated regulations will be submitted to the Trustees for vote in the fall election.
- C. The Manager updated the Trustees on Clubhouse Wi-Fi and will continue discussions with Wave
- D. The Manager updated the Trustees on the status of 2 reserve projects: pool showers and dock electric.

**Member participation:** none

**New Business Action Items:**

**Motion 1:** Carol Wood moved and Joel Janetski seconded to approve a resolution to transfer \$7194 from General Reserves to General Checking account for the swimming pool paint project. – Passed 4/0

**Motion 2:** Karen Krug moved and Ross Anderson seconded, since the Trustees have received copies of all pertinent 2017 audit documents as prepared by Cagianut & Company, CPA that the Board approve the General Representation letter, the Legal Representation letter, and the Post-Audit Inquiry letter indicating nothing to report. - Passed 4/0

**Motion 3:** Karen Krug moved and Carol Wood seconded for the Board to accept the 2017 draft audit report as provided by Cagianut & Company, CPA. - Passed 4/0

**Motion 4:** Karen Krug moved and Joel Janetski seconded for the Board to approve the 2017 Federal 1120-H tax return as prepared on behalf of Cape George by Cagianut & Company, CPA. – Passed 4/0

**Motion 5:** Karen Krug moved and Ross Anderson seconded for the Board approve the final 2017 excess cash transfer totaling \$27,542 from general operations to specific reserves as detailed in the Treasurer's Memo dated March 09, 2017. – Passed 4/0

**Open Board Discussion:** The trustees offered a huge "Thank you" to Karen Krug for all of her work and dedication in the preparation of the 2017 audit. Her careful attention is much appreciated.

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**Announcements:**

- A. Study Session – April 10, 2018 3:00 P.M.
- B. Board Meeting – April 12, 2018 3:30 P.M.

**Adjournment:** Carol Wood moved and Joel Janetski seconded to adjourn the Regular Board Meeting at 4:00 pm. Passed – 4/0

**Submitted by:**

**Approved by:**

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**Carol Wood, Secretary**

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**Katie Habegger, President**

**Committee reports:**

Marina Committee Meeting, March 13, 2018

**THE MARINA NEEDS YOUR USED BOATING AND EQUIPMENT FOR THE UPCOMING MARINA SALE. LOOK FOR CONTACT INFO ON THE BULLETIN BOARDS.**

Attendees: Cape George Manager Sharon Mitchel, Marina Harbormaster Sonja Ericson. Marina Committee: Paul Happel, Lad Burgin, Ben Fellows, Marta Favati, Mac McDonald, Archie Bickling, Ken Owen, Ross Anderson, John Hanks, Brian Ritchie, Penny Jensen, Mike LaPointe, Mike Heckinger and Thad Bickling,

The meeting was called to order at 11:00 am by Harbor Master Sonja Ericson.

Marina members volunteered for evening gate closers for the next 3 weeks. The meetings will return to the first Tuesday of each month beginning April 3.

Sonja brought up the subject of potential fuel spills in the marina and the marina tenants responsibilities for maintaining a spill free marina. How people can lessen the possibility by keeping a clean bilge and keeping absorbent materials in their bilges to lessen discharge of adding petroleum products to the environment. The present spill barriers for the marina may possibly be adequate to stop spills from entering Discovery Bay but additional spill materials will be needed if there is a spill within the marina.

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Sonja is researching costs and availability of spill kits for the marina. Marine boater insurance was discussed along with other insurance policies used to insure boats in the marina. A typical marine boater's policy for Washington State requires \$800,000 in spill insurance whereas some home owner's insurance may not have that type of item in the policy. Typically, larger boats have marine boater insurance while the smaller vessels are covered on homeowner policies.

Lad Burgin discussed the electrical contract for the marina. The marina will need work crews on Tuesday and Thursday to prepare the docks for the electrical contractor and remove all the existing electrical wiring in the marina. The electricity in the marina will be turned off on May 7 and the existing wiring will be removed. The Contract will start June 1<sup>st</sup>.

Purchases for the marina must be approved through Sonja prior to the purchase of supplies and equipment for the marina.

The funds derived from the yearly marina sale are placed in the "memorial fund" for the marina. A request was made from the workshop committee for some of that funding. The manager explained the workshop expenses come from the general budget for maintenance expenses throughout the complex. Penny Jensen moved and John Hanks seconded that \$2,500 would be used to fund the extra shop expenses for year 2018.

The Marina Sale will be April 27-28 from 8:00 am – 2:00 pm and on April 29 from 9:00 am – 12:00 pm. Volunteers are needed to help the week before the sale and during the sale.

Electric lighting for the flag pole was discussed and Mac McDonald will work on that project. Other items brought up at the end of the meeting were zincs for the sea wall, yearly dredging of the marina entrance, piling covers for piles and retrofitting the guides around the piles.

The meeting was adjourned at 12:20 pm

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**CAPE GEORGE POOL COMMITTEE MEETING NOTES**

**CG Clubhouse – February 14, 2018**

**ATTENDEES:**

Rocky D'Acquisto. – Chair	Mary Hilfer
Joel Janetski – Board Liaison	Penny Jensen
Norma Lupkes – Sec.	Barbara Maynard
Sharon Mitchel – CG Mgr.	Cassie Reeves
Robin Scherting	Diona Smith

NOTES: The current Pool Committee Treasury amount is \$3,759.07. These funds are not a part of Cape George Colony Club Homeowner's Association.

Sharon Mitchel gave a report on the completed pool repairs in the pool area and dressing rooms. The sheet rocking and painting around the ceiling vents over the pool was extended to painting all the walls and it looks incredible. The refurbished benches for around the pool were also installed. Redoing the shower stalls in both dressing rooms has been postponed until early summer. New NO SMOKING signs will be ordered and put back in place. Lights being left on overnight have been an ongoing problem. The motion was made, seconded and passed for the pool committee funds to purchase timer switches to be ordered and installed by the office.

The major portion of the Pool Committee Treasury will be used to subsidize the cost of the shower stall remodel project and a suggestion was made to instigate a fund-raising project similar to what the exercise room does annually. A letter will be compiled going to "pool users" asking for help.

The office is still working on a written procedure for pool chemical maintenance and when completed Donnie will contact Rocky to review them as a back-up should if ever be needed.

The St Patrick's Day dinner hosted by the Pool Committee and the Emergency Preparation Committee will be held on Sat. March 17. Mary Hilfer will be doing the tickets which can be purchased in the office for \$10.00 with a deadline of March 14. The theme once again will be a "loaded" potato bar with chili and all the goodies imaginable! A food list from last year will be referenced and Norma Lupkes and Cassie Reeves will be the shoppers. Workers from the two committees are asked to meet at the clubhouse at 10:00 to decorate and do some prep work.

Pool Committee now meets on the second Wednesday of the month at 3:00 in the clubhouse.  
Next meeting: March 14

Respectfully submitted, Norma J. Lupkes

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**CAPE GEORGE WATER ADVISORY COMMITTEE MEETING REPORT, MARCH 6, 2018**

The meeting was held at 5:00 pm at the Office. The following attended: Sharon Mitchel, Manager; Karen Krug, Board Liaison; Greg Rae, Water Manager; Larry Southwick, Committee Chair; and members Scott James and Stewart Pugh.

1. The meter-reading list just came out today. Stew reported 19 leaks and he's started making calls. One leak, a rental in the Village, shows almost 1,000 gallons per day (250 is considered normal, most are well below that). Stew can't reach them by phone; send card to owners. Pool uses around 800 gpd which is down from historical levels. The Marina crew has fixed some of their leaks. 157 connections have less than 30 gpd.
2. Few chlorine taste/smell complaints, Donnie checked chlorine levels and they are fine. The new chlorine injector is working well and we're using less chlorine.
3. Greg got a call on a Sunday regarding a leak and responded but couldn't find the water meter – it was under dirt and grass. He suggested that Donnie/staff expose all meters over time so we can locate them easily if needed. Donnie exercises valves when he's doing the flushing. Exercising valves is important so we know where they are and that they'll work when/if needed. All other operations are going fine.
4. Lots 2 and 5 in Cresthaven, the plat west of N Palmer between Sunset and W Vancouver is being converted to an orchard with a number of water standpipes off of two water meters. Greg said they may need a backflow assembly or at least the small backflow devices on each faucet, depending on how they are going to irrigate it. Sharon and Karen talked about the properties being owned by a corporation and the need for communication to/thru the corporation and not just as an individual.

The next meeting will be on **April 3, 2018 at 5 pm at the Office.**



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**President Katie Habegger called the meeting to order at 3:30 p.m.**

Welcome

An Executive Session will be held immediately following today's Regular Board Meeting to discuss legal and personnel issues.

**In Attendance:** Katie Habegger, Richard Hilfer, Karen Krug, Carol Wood, Joel Janetski, Ray Pierson and Ross Anderson.

**Action on Minutes:** Carol Wood moved and Ross Anderson seconded to approve the minutes of the Regular Board Meeting dated March 15, 2018. Passed – 6/0

**Membership Report:** Carol Wood

Carolyn Newell & Michael Goldberg purchased lot 35 S Rhododendron from the Eshleman's  
Jeff & Martine Gibbons purchased lot 8 Bridle Way from Andy Brett  
David Paine purchased 201 S Palmer from Rudolph & Pamela Theobald  
Kathleen Townsend-Volpe purchased 110 Hemlock Dr from Liza Rummell Estate

**Treasurer's Report:** Karen Krug

As of March 31, 2018

*A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website. The detailed statements as well as additional monthly financial material and are also available for review in the office as are the quarterly internal control reports.*

#### **2018 BALANCE SHEET COMMENTS**

Bank statements have been received and reviewed with no exceptions. No banks are over the FDIC/NCUA limits although balances at two institutions are very close to the limits.

As is evidenced in the condensed balance sheet on the next page, there has been little change when compared to this same time last year. A notable exception is the increase in the Reserve balances. Approved 2018 reserve projects like the marina electrical retrofit have just started so there have not yet been project draws against those balances.

#### **2018 REVENUE AND EXPENSE COMMENTS**

Combined operations are performing ahead of both budget and the prior year. Lower labor expenses and budget timing of pool utility costs are the primary drivers of the positive results.

#### **GENERAL OPERATIONS**

At the end of the first quarter, general operations are \$6,800 ahead of budget and \$4,900 ahead of first quarter last year.

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Two major events have impacted general operations revenue this quarter. The first is a \$5,100 loss on the disposal of the old pool heat pump. This is a non-cash loss that reflects the un-depreciated portion of the pump when it was replaced. The second item is a \$2,100 donation from the Fitness Committee to help defray the reserve cost of new exercise equipment.

On the expense side, general operations are performing more positively than budgeted due largely to much lower than budgeted pool utility costs. Unfortunately this seemingly favorable result is a reflection of the budget timing and not indicative of any real savings. Actual pool kilowatt use is nearly 42% higher than the same period last year, even with warmer temps. The current favorable variance will decrease over the ensuing months. Also contributing to the favorable operating results is lower than budgeted labor costs. It was originally anticipated that an additional caretaker would be onboard in March which has not happened.

**WATER OPERATIONS**

At the end of the first quarter, water operations are \$9,700 ahead of budget and \$2,200 ahead of first quarter last year.

Revenues are impacted by higher than expected excess water charges and the additional of two new water hookups.

The timing of hiring a seasonal caretaker, as in general operations, is resulting in a temporary favorable labor variance. The biggest contributors to the current water operations performance are lower than expected repair costs. It is too early to speculate if this variance is due to budget timing or to lower than anticipated repair needs.

**MARINA OPERATIONS**

At the end of the first quarter, marina operations are \$2,400 below the budget but \$4,200 ahead of first quarter last year.

Lower than budgeted moorage revenue is having an adverse impact on the marina bottom line but this situation could improve in the coming months. Moorage revenue is ahead of last year.

Marina expenses for this quarter are nearly identical to budget.

<b>CAPE GEORGE COLONY CLUB</b>					
<i>Balance Sheet as of March 31, 2018 and 2017</i>					
<b>Assets</b>	<b>2018</b>	<b>2017</b>		<b>Liabilities and Fund Balances</b>	
Cash and Cash Equivalents:				Current Liabilities:	
Operations Checking	\$ 179,349	\$ 148,995		Accounts Payable & Other Liabilities	\$ 14,224 \$ 13,150
Operating Investment-Savings	82,054	98,282		Unearned Income General/Water/Etc.	92,771 87,319
Petty Cash (2 accounts)	600	600		Unearned Income Reserve Assment	23,225 22,153
Reserves - General, Water & Marina	891,213	711,861		Unearned Income Marina Wait List	1,650 1,300
Routine Reserve Assessment	54,626	52,662		Total Current Liabilities	131,870 123,922
Total Cash & Equivalents	1,207,842	1,012,400			
Net Accounts Receivable	1,524	2,226		FUND BALANCES:	
Total Net Fixed Assets	1,783,598	1,851,149		Fund Balances (Combined)	2,761,054 2,653,054
Total Prepaid & Other Assets	15,224	11,983		Modified Cash Basis Income	115,264 100,782
<b>TOTAL ASSETS</b>	<b>\$3,008,188</b>	<b>\$2,877,758</b>		<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$3,008,188 \$ 2,877,758</b>

**CAPE GEORGE COLONY CLUB  
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**Summary Revenue and Expense Statements for the periods ended March 31, 2018 and 2017 (Modified Cash Basis)**

2018 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2018 YTD	2017 YTD	Variance	%
<b>General</b>					<b>General</b>				
General Assessment	\$ 74,144	\$ 74,144	-	0%	General Assessment	\$ 74,144	\$ 71,602	\$ 2,542	4%
Revenue - All Other Sources	58	1,906	(1,848)	>100%	Revenue - All Other Sources	58	3,225	(3,167)	>100%
Total General Revenue	74,202	76,050	(1,848)		Total General Revenue	74,202	74,827	(625)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	33,101	36,056	2,955	8%	Salaries, Benefits, PR Tax	33,101	32,080	(1,021)	-3%
Repairs & Maintenance	4,358	2,551	(1,807)	-71%	Repairs & Maintenance	4,358	3,018	(1,340)	-44%
Contracted Services	7,107	8,676	1,569	18%	Contracted Services	7,107	8,034	927	12%
Insurance	4,824	4,922	98	2%	Insurance	4,824	4,715	(109)	-2%
Pool Expense, pool utilities	8,437	13,250	4,813	36%	Pool Expense, pool utilities	8,437	11,365	2,928	26%
Utilities	2,723	2,660	(63)	-2%	Utilities	2,723	3,785	1,062	28%
Other Expenses (incl taxes)	2,560	3,634	1,074	30%	Other Expenses (incl taxes)	2,560	5,625	3,065	54%
Total General Expenses	63,110	71,749	2,815		Total General Expenses	63,110	68,622	(1,543)	
<b>General Net Income</b>	<b>\$ 11,092</b>	<b>\$ 4,301</b>	<b>\$ 6,791</b>	158%	<b>General Net Income</b>	<b>\$ 11,092</b>	<b>\$ 6,205</b>	<b>\$ 4,887</b>	79%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 46,980	\$ 46,980	\$ -	0%	Revenue - Water Use Fees	\$ 46,980	\$ 46,530	\$ 450	1%
Revenue - All Other Sources	4,925	1,500	3,425	228%	Revenue - All Other Sources	4,925	3,605	1,320	37%
Total Water Revenue	51,905	48,480	3,425		Total Water Revenue	51,905	50,135	1,770	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	15,283	16,276	993	6%	Salaries, Benefits, PR Tax	15,283	14,896	(387)	-3%
Repairs & Maintenance	317	2,832	2,515	89%	Repairs & Maintenance	317	1,684	1,367	81%
Contracted Services	5,501	6,609	1,108	17%	Contracted Services	5,501	4,957	(544)	-11%
Insurance	2,428	2,478	50	2%	Insurance	2,428	2,418	(10)	0%
Utilities	2,717	3,112	395	13%	Utilities	2,717	2,551	(166)	-7%
Other Expenses (incl taxes)	5,793	7,022	1,229	18%	Other Expenses (incl taxes)	5,793	5,996	203	3%
Total Water Expenses	32,039	38,329	6,290		Total Water Expenses	32,039	32,502	463	
<b>Water Net Income</b>	<b>\$ 19,866</b>	<b>\$ 10,151</b>	<b>\$ 9,715</b>	96%	<b>Water Net Income</b>	<b>\$ 19,866</b>	<b>\$ 17,633</b>	<b>\$ 2,233</b>	13%
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 52,799	\$ 56,094	\$ (3,295)	-6%	Revenue - Moorage/Parking	\$ 52,799	\$ 50,650	\$ 2,149	4%
Revenue - All Other Sources	10,094	9,522	\$ 572	6%	Revenue - All Other Sources	10,094	9,994	100	1%
Total Marina Revenue	62,893	65,616	(2,723)		Total Marina Revenue	62,893	60,644	2,249	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	3,869	4,022	153	4%	Salaries, Benefits, PR Tax	3,869	3,639	(230)	-6%
Repairs & Maintenance	693	439	(254)	-58%	Repairs & Maintenance	693	2,031	1,338	66%
Contracted Services	1,286	1,762	476	27%	Contracted Services	1,286	1,242	(44)	-4%
Insurance	1,699	1,600	(99)	-6%	Insurance	1,699	1,683	(16)	-1%
Utilities	1,971	1,625	(346)	-21%	Utilities	1,971	2,807	836	30%
Other Expenses (incl taxes)	803	1,187	384	32%	Other Expenses (incl taxes)	803	906	103	11%
Total Marina Expenses	10,321	10,635	314		Total Marina Expenses	10,321	12,308	1,987	
<b>Marina Net Income</b>	<b>\$ 52,572</b>	<b>\$ 54,981</b>	<b>\$ (2,409)</b>	-4%	<b>Marina Net Income</b>	<b>\$ 52,572</b>	<b>\$ 48,336</b>	<b>\$ 4,236</b>	9%
<b>Reserve Activity</b>					<b>Reserve Activity</b>				
Routine Reserve Revenue	31,114	31,114	-	0%	Routine Reserve Revenue	31,114	30,452	662	2%
Bad Debts, Recoveries, Misc.	109	-	109	0%	Bad Debts, Recoveries, Misc.	109	(1,993)	2,102	N/A
Reserve Interest - all	510	4	506	0%	Reserve Interest - all	510	149	361	242%
<b>Net Reserve Income</b>	<b>\$ 31,733</b>	<b>\$ 31,118</b>	<b>\$ 615</b>	2%	<b>Net Reserve Income</b>	<b>\$ 31,733</b>	<b>\$ 28,608</b>	<b>\$ 3,125</b>	11%
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 115,264</b>	<b>\$ 100,551</b>	<b>\$ 14,712</b>	15%	<b>Cmbnd Net Income/(Loss)(3)</b>	<b>\$ 115,263</b>	<b>\$ 100,782</b>	<b>\$ 13,819</b>	14%

CAPE GEORGE COLONY CLUB  
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**Manager's Report:** Sharon Mitchel

Spring has sprung!

Grass has been planted on the sandy area near the playground and at the golf green near the office so hopefully the spring rains and warmer weather will help both grassy areas become established.

We have interviewed for a Maintenance Assistant to weed whack ditches and assist with other grounds maintenance and are conducting reference checks on the top two candidates this week.

Traffic surveys continue to be conducted. After putting up new speed limit signs and caution flags on N and S Palmer, we have run a survey on S Palmer. The speeds have dropped an average of 1 mph on S. Palmer. The high speed is now 40.6 instead of 53. A speed limit sign will also be put up on Marina Drive just before the curve in hopes of slowing drivers before they arrive at the parking lot.

I have contacted Wave Broadband about setting up internet and phone service for the Clubhouse and fitness rooms. Wave will be sending a technician in the next few weeks to determine if they can provide service for us. If this works out we will have improved wi-fi performance in our facilities and we will be able to purchase and utilize wi-fi enabled security cameras.

The poison hemlock above the playground and marina road was sprayed and is starting to die off.

I met with the Workshop Chair and Board liaison to discuss summer projects for the Workshop volunteers. This list of projects is growing but includes repairing the picnic tables, finishing the picnic area gazebo repair and rebuilding the Colony entrance sign.

The Highlands water gate valve has started leaking. Once we receive the replacement part, Donnie and Water Manager, Greg Rae, will rebuild the assembly. This will require that all Highlands water be shut off for a few hours. Members will be notified in advance.

The Board President and I attended the Community Association Law Day this last weekend. It was an eye opening experience to hear some of the challenges other communities face. A new HOA law has been enacted, but not yet codified in RCWs. It is expected to help HOA's with older Covenants. There will be more to come on this new law in the next several months.

Projects being worked on by the Office Administrator, Terri Brown:

- Terri is processing 2<sup>nd</sup> quarter assessments and fees.

Projects being worked on by Maintenance, Donnie Weathersby:

- Lawn mowing and weed whacking of ditches has started
- Donnie is working with Pool Committee Chair, Neil D'Acquisto on setting up written maintenance procedures

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

- 2 cars abandoned on Pine
- 2 hedge complaints in the Colony
- Underage teenagers in the pool without a member over 18
- 2 vehicles parked for more than 48 hours in front of clubhouse and workshop

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Marina, Environmental, and Water.

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

**Information Items:**

- A. The Coast Geologic sediment study final report was introduced and discussed
- B. One lot/one vote was discussed. The Manager and Vice President Richard Hilfer are requesting advice from our attorney on possible ways to amend our governing documents to allow one lot/one vote.
- C. State Senate Bill 6175 Washington Uniform Common Interest Ownership Act was discussed.

**Member participation:** none

**New Business Action Items:**

**Motion 1:** Ross Anderson moved and Ray Pierson seconded to accept the donation of \$2112.42 from the Fitness Committee to upgrade the treadmill they are purchasing. Passed -6/0

**Motion 2:** Ross Anderson moved and Ray Pierson seconded to transfer \$3500 from General Reserves to General Checking to reimburse for purchase of a treadmill. Passed – 6/0

**Motion 3:** Richard Hilfer moved and Joel Janetski seconded that, because the Board has been informed of extenuating circumstances, the Board approve the abatement of 2 building regulation fines totaling \$550 for a home that has now been completed on the exterior. Passed - 5/1

**Motion 4:** Joel Janetski moved and Karen Krug seconded to refund \$10 paid by a member for a ramp key. Passed –6/0

**Motion 5:** Richard Hilfer moved and Karen Krug seconded to enter into a payment plan with a member. Passed– 6/0

**Motion 6:** Ray Pierson moved and Carol Wood seconded to accept 6 due date adjustments for 5 members. Passed -6/0

CAPE GEORGE COLONY CLUB  
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**Open Board Discussion:** none

**Announcements:**

- A. Study Session – May 8, 2018 3:00 P.M.
- B. Board Meeting – May 10, 2018 3:30 P.M.

**Adjournment:** Ray Pierson moved and Richard Hilfer seconded to adjourn to Executive Session at 3:50 pm. Passed – 6/0

A motion was made by Carol Wood and seconded by Joel Janetski to adjourn the Executive Session and return to regular session. 5:05 pm. Passed- 6/0

A motion was made by Ray Pierson and seconded by Carol Wood that the board grant the appeal as requested by Greg Mika in regard to the relocation of his boat. Passed- 4/2

A motion was made by Richard Hilfer and seconded by Joel Janetski to adjourn the regular session. 5:10 pm. Passed- 6/0

**Submitted by:**

**Approved by:**

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Carol Wood, Secretary

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Katie Habegger, President



**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
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**Committee reports:**

**Cape George Marina Committee Meeting Minutes -April 3, 2018**

The meeting was called to order at 11:15. The first item on the agenda was getting volunteers to make sure the marina and workshop areas are secured every night for the month of April.

Sonja Ericson reported the remaining balance of the Marina "Memorial" Fund Raising Account at \$4016.56 after transferring \$2500.00 into the Workshop Fund Raising Account. She noted there will be significant upcoming expenses for the Waterfront Festival and Regatta which is held for the community in August.

Lad Burgin gave an update on the progress of the dock work in preparation for the new electrical system and pedestals. A team of volunteers will be working both Tuesdays and Thursdays until the project is ready for the electrical contractors. Information will be sent to all marina members and signs will be posted announcing when the marina will be closed for the completion of the project.

Ben Fellows discussed our on-going search for contractors to repair 3 pilings. Because of the much higher cost than expected in the recent bids received to date, he has called a committee together to decide if and how we can do the repairs ourselves.

Brian Ritchie shared his information about boat insurance and his policy coverage which allows a large amount for oil spills. Since he had to dig to get that information, he suggested the members with individual boat insurance take a good look at their policies. His information came to us because of last month's clean marina discussion.

The annual Marina Sale will be held April 27, 28 & 29. Ken Owen reminded us that the days prior to the sale we will need extra help getting the items to the Club House and organized because the dock crew will not be available to us.

The annual dredging will take place June 14 & 15. The zincs are on order.

Sonja discussed the ongoing updating of boat measurements and advised that several marina members will see a change in their recorded overall length and will be assessed accordingly.

Jim Bodkin will dive to inspect our mooring buoys.

At the request of the marina committee the live aboard issue will be on our May agenda.

The meeting was adjourned at 12:15

CAPE GEORGE COLONY CLUB  
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**ENVIRONMENTAL COMMITTEE MINUTES - Monday March 12, 2018**

**IN ATTENDANCE:** Varn Brooks , Katie Habegger, Norma Lupkes, Dennis McDaniel, Steve McDevitt, Sharon Mitchel, Kitty Rucker, Fayla Schwartz

The meeting was called to order by Kitty at 9:15. The minutes of the last meeting were approved.

**Fiscal report:** Kitty reported that the Environmental Committee funds are now \$2,921 (*these are not funds belonging to Cape George Colony*).

**OLD BUSINESS:**

1. **Grass in open dog run area:** An e-mail was received from 8 residents inquiring if it would be possible to plant some grass seed in the muddy/bare areas in the dog run. After discussion a motion was made and passed to purchase the grass seed and some sort of marker to indicate an area to stay off of during the grow-in of the grass.
2. **Request to spray bees near play area:** After lengthy discussion and information from Varn that this species of bees is not very aggressive and hopefully the new grass will be a deterrent for them. To spray is not a viable solution because of the location so near the water.
3. **Varn Brook's Event on March 6:** The event was a presentation on "**Cape George Wildlife**" held at the clubhouse was well attended and there is enough interest to bring him back for another showing for those who missed it. He will check his schedule and report at the next meeting.

**NEW BUSINESS:**

1. Lorna and Daryl will present the next movie in the clubhouse on April 10 at 7:00 – "**Coyotes and Cougars**" – please join us – popcorn will be provided.
2. Cape George is looking for a part-time (4-5 hrs. day) seasonal groundskeeper. Only 2 applicants have answered ads in the local Leader. If anyone in the community is aware of someone looking for this type of work please have them contact the office.
3. The **Protection Island Aquatic Reserve** group is holding a "citizen science group" meeting in the clubhouse on March 20 at 3-4 pm. This is the group that Ross Anderson is associated; please attend if you are interested.
4. A **Shore Stewards** meeting will be held at the WSU Extension facility in Port Hadlock on March 22 at 6-8 pm. Please RSVP as their meeting room is small.
5. **Whale or Dolphin Watching** is a common activity in our wonderful environment. It has been suggested that if we could get a group of spotters that could spread the word in some form to all the CG residents it would be great. Some suggestions were: texting, calling, or an e-mail blast from the office when something interesting is sighted. The committee will discuss at the next meeting.
6. Gray water being discharged into ditches or yards has been observed in CG. The office will check into the regulation and Kitty will contact the Health Dept. about this practice.
7. October 27<sup>th</sup> is the date for the annual **Environment Committee Party/Dinner**. Theme & more details will be discussed at future meetings.

**ADJOURNMENT:** The meeting was adjourned at 10:30 am

Respectfully Submitted: Norma J. Lupkes

**CAPE GEORGE COLONY CLUB  
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ENVIRONMENTAL COMMITTEE MINUTES – Monday, April 9<sup>th</sup> 2018

IN ATTENDANCE: Varn Brooks, Katie Habegger, Stephen McDevitt, Sharon Mitchel, Ruth Ross, Kitty Rucker, Robin Scherting, Fayla Schwartz,  
The meeting was called to order by Kitty, and the March minutes were approved.

Fiscal Report: There were some minor changes during the month, due to income from the sale of a picture and expenditures for the Sonic Sea movie and grass seed, as previously approved. The current balance is \$2,835.64. *(These are not funds that belong to Cape George Colony Club Inc.)*

**OLD BUSINESS:**

1. Grass seed for area near kids' play area: Kitty reported that Donnie had sown the grass seed in the bare patches and installed a sign alerting people to avoid stepping on the newly seeded area.

2. Varn will repeat his presentation on local critters April 11<sup>th</sup>. It was agreed that the presentation would be of ongoing interest to the community, and Varn will look at editing the material to post on the Cape George web site.

3. Whale Watch: The community Whale Watch is now in place. Reports of sightings are accepted during Cape George office hour's 9-2 pm weekdays, and residents will be alerted via blast e-mail.

Steve McDevitt described to the committee the other marine wildlife notification systems available in the Port Townsend area, such as "iNaturalist", a free app for posting real time sightings. He will put together an article for the next newsletter summarizing these resources and reminding members of the Cape George whale watch. The article will also provide information on the WSU Beach Naturalist course held annually.

**NEW BUSINESS**

1. The talk on living peacefully with Coyotes, Cougars and Bears will be presented May 25<sup>th</sup> at 7 p.m., at the clubhouse, by local wildlife experts Daryl and Lorna Smith.

2. Volunteers for Beach Study: Kitty attended the recent meeting of the Protection Island Aquatic Reserve volunteers, and was asked if the Environmental Committee would be able to find 3-4 Cape George members to conduct an intertidal survey of our beach during low tide in July. Steve, Ruth, Fayla, and Varn expressed interest. Kitty will post an item in the newsletter on the subject.

3. Beach Walk: This year's beach walk with Marine Science naturalists is tentatively scheduled for a day in July. The committee agreed this should continue to be an annual event, and authorized the payment of \$100 to the Marine Science Center.

4. "Plane Truth" movie: The committee discussed the possible screening of a recent movie about the noise produced by "Growler" aircraft. There were some concerns that the subject could prove controversial, and the matter was tabled for further research.

**OTHER BUSINESS**

1. Landscape Maintenance: Sharon reported that references were being checked for the two candidates short-listed for the seasonal caretaker position, and it was hoped to have the position filled in the near future. In the meantime, the committee will organize a volunteer weeding party for one morning next week. Kitty will notify members of the date.

CAPE GEORGE COLONY CLUB  
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2. Fayla mentioned that she will be teaching a course on native plant identification for Peninsula College beginning at the end of April. It was suggested she post flyers on the bulletin boards to publicize the course, and Kitty agreed to e-mail the details to members of the committee.

The meeting adjourned at 9:50 am.

**CAPE GEORGE WATER ADVISORY COMMITTEE  
MEETING REPORT, APRIL 3, 2018**

The meeting was held at 5:00 pm at the Office. The following attended: Sharon Mitchel, Manager; Karen Krug, Board Liaison; Greg Rae, Water Manager; Larry Southwick, Committee Chair; and members Scott James and Stewart Pugh.

1. The staff needs to shut off a water service and the owner seems to be resisting by parking a car over the water meter. It appears the car is in the right-of-way which might provide a course of action. We may need to amend the Water Rules to prohibit anything blocking access to a water meter as a necessary public safety measure – we need 24/7/365 access to all water meters.
2. We had previously talked about the need to exercise the main valves on an annual basis. That may be done with the flushing program. Sharon said that could be one of the tasks for a summer temporary employee.
3. We discussed water use at the pool. Stew will do some more looking at historical use compared to current. That may also show any effect of the new humidity control system. Greg suggested we could put a meter on that single supply to better determine if there is a problem such as an undetected leak.
4. Greg said his supervisor may retire at the end of this year which might mean he would need to step up work at Port Ludlow and resign here. This is just a heads up for now but something to keep on the agenda as the year progresses. Greg will talk to potential replacements that have or may obtain the necessary certifications.

The next meeting will be on **May 1, 2018** at 5 pm at the Office.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
April 12, 2018  
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**President Katie Habegger called the meeting to order at 3:30 p.m.**

Welcome

An Executive Session will be held immediately following today's Regular Board Meeting to discuss legal and personnel issues.

**In Attendance:** Katie Habegger, Richard Hilfer, Karen Krug, Carol Wood, Joel Janetski, Ray Pierson and Ross Anderson.

**Action on Minutes:** Carol Wood moved and Ross Anderson seconded to approve the minutes of the Regular Board Meeting dated March 15, 2018. Passed – 6/0

**Membership Report:** Carol Wood

Carolyn Newell & Michael Goldberg purchased lot 35 S Rhododendron from the Eshleman's  
Jeff & Martine Gibbons purchased lot 8 Bridle Way from Andy Brett  
David Paine purchased 201 S Palmer from Rudolph & Pamela Theobald  
Kathleen Townsend-Volpe purchased 110 Hemlock Dr from Liza Rummell Estate

**Treasurer's Report:** Karen Krug

As of March 31, 2018

*A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website. The detailed statements as well as additional monthly financial material and are also available for review in the office as are the quarterly internal control reports.*

**2018 BALANCE SHEET COMMENTS**

Bank statements have been received and reviewed with no exceptions. No banks are over the FDIC/NCUA limits although balances at two institutions are very close to the limits.

As is evidenced in the condensed balance sheet on the next page, there has been little change when compared to this same time last year. A notable exception is the increase in the Reserve balances. Approved 2018 reserve projects like the marina electrical retrofit have just started so there have not yet been project draws against those balances.

**2018 REVENUE AND EXPENSE COMMENTS**

Combined operations are performing ahead of both budget and the prior year. Lower labor expenses and budget timing of pool utility costs are the primary drivers of the positive results.

**GENERAL OPERATIONS**

At the end of the first quarter, general operations are \$6,800 ahead of budget and \$4,900 ahead of first quarter last year.

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Two major events have impacted general operations revenue this quarter. The first is a \$5,100 loss on the disposal of the old pool heat pump. This is a non-cash loss that reflects the un-depreciated portion of the pump when it was replaced. The second item is a \$2,100 donation from the Fitness Committee to help defray the reserve cost of new exercise equipment.

On the expense side, general operations are performing more positively than budgeted due largely to much lower than budgeted pool utility costs. Unfortunately this seemingly favorable result is a reflection of the budget timing and not indicative of any real savings. Actual pool kilowatt use is nearly 42% higher than the same period last year, even with warmer temps. The current favorable variance will decrease over the ensuing months. Also contributing to the favorable operating results is lower than budgeted labor costs. It was originally anticipated that an additional caretaker would be onboard in March which has not happened.

**WATER OPERATIONS**

At the end of the first quarter, water operations are \$9,700 ahead of budget and \$2,200 ahead of first quarter last year.

Revenues are impacted by higher than expected excess water charges and the additional of two new water hookups.

The timing of hiring a seasonal caretaker, as in general operations, is resulting in a temporary favorable labor variance. The biggest contributors to the current water operations performance are lower than expected repair costs. It is too early to speculate if this variance is due to budget timing or to lower than anticipated repair needs.

**MARINA OPERATIONS**

At the end of the first quarter, marina operations are \$2,400 below the budget but \$4,200 ahead of first quarter last year.

Lower than budgeted moorage revenue is having an adverse impact on the marina bottom line but this situation could improve in the coming months. Moorage revenue is ahead of last year.

Marina expenses for this quarter are nearly identical to budget.

<b>CAPE GEORGE COLONY CLUB</b>					
<i>Balance Sheet as of March 31, 2018 and 2017</i>					
<b>Assets</b>	<b>2018</b>	<b>2017</b>		<b>Liabilities and Fund Balances</b>	
Cash and Cash Equivalents:				Current Liabilities:	
Operations Checking	\$ 179,349	\$ 148,995		Accounts Payable & Other Liabilities	\$ 14,224 \$ 13,150
Operating Investment-Savings	82,054	98,282		Unearned Income General/Water/Etc.	92,771 87,319
Petty Cash (2 accounts)	600	600		Unearned Income Reserve Assment	23,225 22,153
Reserves - General, Water & Marina	891,213	711,861		Unearned Income Marina Wait List	1,650 1,300
Routine Reserve Assessment	54,626	52,662		Total Current Liabilities	131,870 123,922
Total Cash & Equivalents	1,207,842	1,012,400			
Net Accounts Receivable	1,524	2,226		FUND BALANCES:	
Total Net Fixed Assets	1,783,598	1,851,149		Fund Balances (Combined)	2,761,054 2,653,054
Total Prepaid & Other Assets	15,224	11,983		Modified Cash Basis Income	115,264 100,782
<b>TOTAL ASSETS</b>	<b>\$3,008,188</b>	<b>\$2,877,758</b>		<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$3,008,188 \$ 2,877,758</b>



**CAPE GEORGE COLONY CLUB  
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**Summary Revenue and Expense Statements for the periods ended March 31, 2018 and 2017 (Modified Cash Basis)**

2018 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2018 YTD	2017 YTD	Variance	%
<b>General</b>					<b>General</b>				
General Assessment	\$ 74,144	\$ 74,144	-	0%	General Assessment	\$ 74,144	\$ 71,602	\$ 2,542	4%
Revenue - All Other Sources	58	1,906	(1,848)	>100%	Revenue - All Other Sources	58	3,225	(3,167)	>100%
Total General Revenue	74,202	76,050	(1,848)		Total General Revenue	74,202	74,827	(625)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	33,101	36,056	2,955	8%	Salaries, Benefits, PR Tax	33,101	32,080	(1,021)	-3%
Repairs & Maintenance	4,358	2,551	(1,807)	-71%	Repairs & Maintenance	4,358	3,018	(1,340)	-44%
Contracted Services	7,107	8,676	1,569	18%	Contracted Services	7,107	8,034	927	12%
Insurance	4,824	4,922	98	2%	Insurance	4,824	4,715	(109)	-2%
Pool Expense, pool utilities	8,437	13,250	4,813	36%	Pool Expense, pool utilities	8,437	11,365	2,928	26%
Utilities	2,723	2,660	(63)	-2%	Utilities	2,723	3,785	1,062	28%
Other Expenses (incl taxes)	2,560	3,634	1,074	30%	Other Expenses (incl taxes)	2,560	5,625	3,065	54%
Total General Expenses	63,110	71,749	2,815		Total General Expenses	63,110	68,622	(1,543)	
<b>General Net Income</b>	<b>\$ 11,092</b>	<b>\$ 4,301</b>	<b>\$ 6,791</b>	158%	<b>General Net Income</b>	<b>\$ 11,092</b>	<b>\$ 6,205</b>	<b>\$ 4,887</b>	79%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 46,980	\$ 46,980	\$ -	0%	Revenue - Water Use Fees	\$ 46,980	\$ 46,530	\$ 450	1%
Revenue - All Other Sources	4,925	1,500	3,425	228%	Revenue - All Other Sources	4,925	3,605	1,320	37%
Total Water Revenue	51,905	48,480	3,425		Total Water Revenue	51,905	50,135	1,770	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	15,283	16,276	993	6%	Salaries, Benefits, PR Tax	15,283	14,896	(387)	-3%
Repairs & Maintenance	317	2,832	2,515	89%	Repairs & Maintenance	317	1,684	1,367	81%
Contracted Services	5,501	6,609	1,108	17%	Contracted Services	5,501	4,957	(544)	-11%
Insurance	2,428	2,478	50	2%	Insurance	2,428	2,418	(10)	0%
Utilities	2,717	3,112	395	13%	Utilities	2,717	2,551	(166)	-7%
Other Expenses (incl taxes)	5,793	7,022	1,229	18%	Other Expenses (incl taxes)	5,793	5,996	203	3%
Total Water Expenses	32,039	38,329	6,290		Total Water Expenses	32,039	32,502	463	
<b>Water Net Income</b>	<b>\$ 19,866</b>	<b>\$ 10,151</b>	<b>\$ 9,715</b>	96%	<b>Water Net Income</b>	<b>\$ 19,866</b>	<b>\$ 17,633</b>	<b>\$ 2,233</b>	13%
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 52,799	\$ 56,094	\$ (3,295)	-6%	Revenue - Moorage/Parking	\$ 52,799	\$ 50,650	\$ 2,149	4%
Revenue - All Other Sources	10,094	9,522	\$ 572	6%	Revenue - All Other Sources	10,094	9,994	100	1%
Total Marina Revenue	62,893	65,616	(2,723)		Total Marina Revenue	62,893	60,644	2,249	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	3,869	4,022	153	4%	Salaries, Benefits, PR Tax	3,869	3,639	(230)	-6%
Repairs & Maintenance	693	439	(254)	-58%	Repairs & Maintenance	693	2,031	1,338	66%
Contracted Services	1,286	1,762	476	27%	Contracted Services	1,286	1,242	(44)	-4%
Insurance	1,699	1,600	(99)	-6%	Insurance	1,699	1,683	(16)	-1%
Utilities	1,971	1,625	(346)	-21%	Utilities	1,971	2,807	836	30%
Other Expenses (incl taxes)	803	1,187	384	32%	Other Expenses (incl taxes)	803	906	103	11%
Total Marina Expenses	10,321	10,635	314		Total Marina Expenses	10,321	12,308	1,987	
<b>Marina Net Income</b>	<b>\$ 52,572</b>	<b>\$ 54,981</b>	<b>\$ (2,409)</b>	-4%	<b>Marina Net Income</b>	<b>\$ 52,572</b>	<b>\$ 48,336</b>	<b>\$ 4,236</b>	9%
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CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
April 12, 2018  
3:30 PM

**Manager's Report:** Sharon Mitchel

Spring has sprung!

Grass has been planted on the sandy area near the playground and at the golf green near the office so hopefully the spring rains and warmer weather will help both grassy areas become established.

We have interviewed for a Maintenance Assistant to weed whack ditches and assist with other grounds maintenance and are conducting reference checks on the top two candidates this week.

Traffic surveys continue to be conducted. After putting up new speed limit signs and caution flags on N and S Palmer, we have run a survey on S Palmer. The speeds have dropped an average of 1 mph on S. Palmer. The high speed is now 40.6 instead of 53. A speed limit sign will also be put up on Marina Drive just before the curve in hopes of slowing drivers before they arrive at the parking lot.

I have contacted Wave Broadband about setting up internet and phone service for the Clubhouse and fitness rooms. Wave will be sending a technician in the next few weeks to determine if they can provide service for us. If this works out we will have improved wi-fi performance in our facilities and we will be able to purchase and utilize wi-fi enabled security cameras.

The poison hemlock above the playground and marina road was sprayed and is starting to die off.

I met with the Workshop Chair and Board liaison to discuss summer projects for the Workshop volunteers. This list of projects is growing but includes repairing the picnic tables, finishing the picnic area gazebo repair and rebuilding the Colony entrance sign.

The Highlands water gate valve has started leaking. Once we receive the replacement part, Donnie and Water Manager, Greg Rae, will rebuild the assembly. This will require that all Highlands water be shut off for a few hours. Members will be notified in advance.

The Board President and I attended the Community Association Law Day this last weekend. It was an eye opening experience to hear some of the challenges other communities face. A new HOA law has been enacted, but not yet codified in RCWs. It is expected to help HOA's with older Covenants. There will be more to come on this new law in the next several months.

Projects being worked on by the Office Administrator, Terri Brown:

- Terri is processing 2<sup>nd</sup> quarter assessments and fees.

Projects being worked on by Maintenance, Donnie Weathersby:

- Lawn mowing and weed whacking of ditches has started
- Donnie is working with Pool Committee Chair, Neil D'Acquisto on setting up written maintenance procedures

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

- 2 cars abandoned on Pine
- 2 hedge complaints in the Colony
- Underage teenagers in the pool without a member over 18
- 2 vehicles parked for more than 48 hours in front of clubhouse and workshop

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Marina, Environmental, and Water.

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

**Information Items:**

- A. The Coast Geologic sediment study final report was introduced and discussed
- B. One lot/one vote was discussed. The Manager and Vice President Richard Hilfer are requesting advice from our attorney on possible ways to amend our governing documents to allow one lot/one vote.
- C. State Senate Bill 6175 Washington Uniform Common Interest Ownership Act was discussed.

**Member participation:** none

**New Business Action Items:**

**Motion 1:** Ross Anderson moved and Ray Pierson seconded to accept the donation of \$2112.42 from the Fitness Committee to upgrade the treadmill they are purchasing. Passed -6/0

**Motion 2:** Ross Anderson moved and Ray Pierson seconded to transfer \$3500 from General Reserves to General Checking to reimburse for purchase of a treadmill. Passed – 6/0

**Motion 3:** Richard Hilfer moved and Joel Janetski seconded that, because the Board has been informed of extenuating circumstances, the Board approve the abatement of 2 building regulation fines totaling \$550 for a home that has now been completed on the exterior. Passed - 5/1

**Motion 4:** Joel Janetski moved and Karen Krug seconded to refund \$10 paid by a member for a ramp key. Passed –6/0

**Motion 5:** Richard Hilfer moved and Karen Krug seconded to enter into a payment plan with a member. Passed– 6/0

**Motion 6:** Ray Pierson moved and Carol Wood seconded to accept 6 due date adjustments for 5 members. Passed -6/0

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**Open Board Discussion:** none

**Announcements:**

- A. Study Session – May 8, 2018 3:00 P.M.
- B. Board Meeting – May 10, 2018 3:30 P.M.

**Adjournment:** Ray Pierson moved and Richard Hilfer seconded to adjourn to Executive Session at 3:50 pm. Passed – 6/0

A motion was made by Carol Wood and seconded by Joel Janetski to adjourn the Executive Session and return to regular session. 5:05 pm. Passed- 6/0

A motion was made by Ray Pierson and seconded by Carol Wood that the board grant the appeal as requested by Greg Mika in regard to the relocation of his boat. Passed- 4/2

A motion was made by Richard Hilfer and seconded by Joel Janetski to adjourn the regular session. 5:10 pm. Passed- 6/0

**Submitted by:**

**Approved by:**

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Carol Wood, Secretary

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Katie Habegger, President

**CAPE GEORGE COLONY CLUB  
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**Committee reports:**

**Cape George Marina Committee Meeting Minutes -April 3, 2018**

The meeting was called to order at 11:15. The first item on the agenda was getting volunteers to make sure the marina and workshop areas are secured every night for the month of April.

Sonja Ericson reported the remaining balance of the Marina "Memorial" Fund Raising Account at \$4016.56 after transferring \$2500.00 into the Workshop Fund Raising Account. She noted there will be significant upcoming expenses for the Waterfront Festival and Regatta which is held for the community in August.

Lad Burgin gave an update on the progress of the dock work in preparation for the new electrical system and pedestals. A team of volunteers will be working both Tuesdays and Thursdays until the project is ready for the electrical contractors. Information will be sent to all marina members and signs will be posted announcing when the marina will be closed for the completion of the project.

Ben Fellows discussed our on-going search for contractors to repair 3 pilings. Because of the much higher cost than expected in the recent bids received to date, he has called a committee together to decide if and how we can do the repairs ourselves.

Brian Ritchie shared his information about boat insurance and his policy coverage which allows a large amount for oil spills. Since he had to dig to get that information, he suggested the members with individual boat insurance take a good look at their policies. His information came to us because of last month's clean marina discussion.

The annual Marina Sale will be held April 27, 28 & 29. Ken Owen reminded us that the days prior to the sale we will need extra help getting the items to the Club House and organized because the dock crew will not be available to us.

The annual dredging will take place June 14 & 15. The zincs are on order.

Sonja discussed the ongoing updating of boat measurements and advised that several marina members will see a change in their recorded overall length and will be assessed accordingly.

Jim Bodkin will dive to inspect our mooring buoys.

At the request of the marina committee the live aboard issue will be on our May agenda.

The meeting was adjourned at 12:15

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**ENVIRONMENTAL COMMITTEE MINUTES - Monday March 12, 2018**

**IN ATTENDANCE:** Varn Brooks , Katie Habegger, Norma Lupkes, Dennis McDaniel, Steve McDevitt, Sharon Mitchel, Kitty Rucker, Fayla Schwartz

The meeting was called to order by Kitty at 9:15. The minutes of the last meeting were approved.

**Fiscal report:** Kitty reported that the Environmental Committee funds are now \$2,921 (*these are not funds belonging to Cape George Colony*).

**OLD BUSINESS:**

1. **Grass in open dog run area:** An e-mail was received from 8 residents inquiring if it would be possible to plant some grass seed in the muddy/bare areas in the dog run. After discussion a motion was made and passed to purchase the grass seed and some sort of marker to indicate an area to stay off of during the grow-in of the grass.
2. **Request to spray bees near play area:** After lengthy discussion and information from Varn that this species of bees is not very aggressive and hopefully the new grass will be a deterrent for them. To spray is not a viable solution because of the location so near the water.
3. **Varn Brook's Event on March 6:** The event was a presentation on "**Cape George Wildlife**" held at the clubhouse was well attended and there is enough interest to bring him back for another showing for those who missed it. He will check his schedule and report at the next meeting.

**NEW BUSINESS:**

1. Lorna and Daryl will present the next movie in the clubhouse on April 10 at 7:00 – "**Coyotes and Cougars**" – please join us – popcorn will be provided.
2. Cape George is looking for a part-time (4-5 hrs. day) seasonal groundskeeper. Only 2 applicants have answered ads in the local Leader. If anyone in the community is aware of someone looking for this type of work please have them contact the office.
3. The **Protection Island Aquatic Reserve** group is holding a "citizen science group" meeting in the clubhouse on March 20 at 3-4 pm. This is the group that Ross Anderson is associated; please attend if you are interested.
4. A **Shore Stewards** meeting will be held at the WSU Extension facility in Port Hadlock on March 22 at 6-8 pm. Please RSVP as their meeting room is small.
5. **Whale or Dolphin Watching** is a common activity in our wonderful environment. It has been suggested that if we could get a group of spotters that could spread the word in some form to all the CG residents it would be great. Some suggestions were: texting, calling, or an e-mail blast from the office when something interesting is sighted. The committee will discuss at the next meeting.
6. Gray water being discharged into ditches or yards has been observed in CG. The office will check into the regulation and Kitty will contact the Health Dept. about this practice.
7. October 27<sup>th</sup> is the date for the annual **Environment Committee Party/Dinner**. Theme & more details will be discussed at future meetings.

**ADJOURNMENT:** The meeting was adjourned at 10:30 am

Respectfully Submitted: Norma J. Lupkes



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ENVIRONMENTAL COMMITTEE MINUTES – Monday, April 9<sup>th</sup> 2018

IN ATTENDANCE: Varn Brooks, Katie Habegger, Stephen McDevitt, Sharon Mitchel, Ruth Ross, Kitty Rucker, Robin Scherting, Fayla Schwartz,  
The meeting was called to order by Kitty, and the March minutes were approved.

Fiscal Report: There were some minor changes during the month, due to income from the sale of a picture and expenditures for the Sonic Sea movie and grass seed, as previously approved. The current balance is \$2,835.64. *(These are not funds that belong to Cape George Colony Club Inc.)*

**OLD BUSINESS:**

1. Grass seed for area near kids' play area: Kitty reported that Donnie had sown the grass seed in the bare patches and installed a sign alerting people to avoid stepping on the newly seeded area.

2. Varn will repeat his presentation on local critters April 11<sup>th</sup>. It was agreed that the presentation would be of ongoing interest to the community, and Varn will look at editing the material to post on the Cape George web site.

3. Whale Watch: The community Whale Watch is now in place. Reports of sightings are accepted during Cape George office hour's 9-2 pm weekdays, and residents will be alerted via blast e-mail.

Steve McDevitt described to the committee the other marine wildlife notification systems available in the Port Townsend area, such as "iNaturalist", a free app for posting real time sightings. He will put together an article for the next newsletter summarizing these resources and reminding members of the Cape George whale watch. The article will also provide information on the WSU Beach Naturalist course held annually.

**NEW BUSINESS**

1. The talk on living peacefully with Coyotes, Cougars and Bears will be presented May 25<sup>th</sup> at 7 p.m., at the clubhouse, by local wildlife experts Daryl and Lorna Smith.

2. Volunteers for Beach Study: Kitty attended the recent meeting of the Protection Island Aquatic Reserve volunteers, and was asked if the Environmental Committee would be able to find 3-4 Cape George members to conduct an intertidal survey of our beach during low tide in July. Steve, Ruth, Fayla, and Varn expressed interest. Kitty will post an item in the newsletter on the subject.

3. Beach Walk: This year's beach walk with Marine Science naturalists is tentatively scheduled for a day in July. The committee agreed this should continue to be an annual event, and authorized the payment of \$100 to the Marine Science Center.

4. "Plane Truth" movie: The committee discussed the possible screening of a recent movie about the noise produced by "Growler" aircraft. There were some concerns that the subject could prove controversial, and the matter was tabled for further research.

**OTHER BUSINESS**

1. Landscape Maintenance: Sharon reported that references were being checked for the two candidates short-listed for the seasonal caretaker position, and it was hoped to have the position filled in the near future. In the meantime, the committee will organize a volunteer weeding party for one morning next week. Kitty will notify members of the date.

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2. Fayla mentioned that she will be teaching a course on native plant identification for Peninsula College beginning at the end of April. It was suggested she post flyers on the bulletin boards to publicize the course, and Kitty agreed to e-mail the details to members of the committee.

The meeting adjourned at 9:50 am.

**CAPE GEORGE WATER ADVISORY COMMITTEE  
MEETING REPORT, APRIL 3, 2018**

The meeting was held at 5:00 pm at the Office. The following attended: Sharon Mitchel, Manager; Karen Krug, Board Liaison; Greg Rae, Water Manager; Larry Southwick, Committee Chair; and members Scott James and Stewart Pugh.

1. The staff needs to shut off a water service and the owner seems to be resisting by parking a car over the water meter. It appears the car is in the right-of-way which might provide a course of action. We may need to amend the Water Rules to prohibit anything blocking access to a water meter as a necessary public safety measure – we need 24/7/365 access to all water meters.
2. We had previously talked about the need to exercise the main valves on an annual basis. That may be done with the flushing program. Sharon said that could be one of the tasks for a summer temporary employee.
3. We discussed water use at the pool. Stew will do some more looking at historical use compared to current. That may also show any effect of the new humidity control system. Greg suggested we could put a meter on that single supply to better determine if there is a problem such as an undetected leak.
4. Greg said his supervisor may retire at the end of this year which might mean he would need to step up work at Port Ludlow and resign here. This is just a heads up for now but something to keep on the agenda as the year progresses. Greg will talk to potential replacements that have or may obtain the necessary certifications.

The next meeting will be on **May 1, 2018** at 5 pm at the Office.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
May 10, 2018  
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**President Katie Habegger called the meeting to order at 3:30 p.m.**

Welcome

Candidates for the upcoming trustee election include: William Hamilton, George Martin and Ray Pierson

**In Attendance:** Katie Habegger, Karen Krug, Carol Wood, Joel Janetski and Ross Anderson.

**Action on Minutes:** Carol Wood moved and Joel Janetski seconded to approve the minutes of the Regular Board Meeting dated April 12, 2018. Passed – 4/0

**Membership Report:** Carol Wood

Richard Stults purchased 50 Fir Pl from Lydia Rosen

Kyle & Loretta Taylor purchased lot 45 on Sunset from Steven Slater

Robert & Christine Spall purchased 191 Huckleberry Pl from Marcie Jones-Glenn

**Treasurer's Report:** Karen Krug

As of April 30, 2018

A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website. The detailed statements as well as additional monthly financial material and are also available for review in the office as are the quarterly internal control reports.

**2018 BALANCE SHEET COMMENTS**

Bank statements have been received and reviewed with no exceptions. No banks are over the FDIC/NCUA limits although balances at two institutions are very close to the limits. Staff have been asked to identify an additional financial institution to help ensure that FDIC/NCUA limits are not exceeded.

In comparing balance sheet accounts between April 2018 and April 2017 there are two major differences both caused by the change in the lot mow schedule. In 2017 vacant lots were mowed in April and in 2018 they were mowed in May. This one month mowing difference resulted in a temporary increase in operating cash and a similar temporary decrease in net accounts receivable.

As noted in previous months the increase in Reserves between this year and last year is due in part to the marina electric project which just now started. As this project progresses this balance will decrease.

**CAPE GEORGE COLONY CLUB  
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**2018 REVENUE AND EXPENSE COMMENTS**

Combined operations are performing ahead of both budget and the prior year. Lower labor expenses and timing differences in expenses for both repairs and contract services are the primary drivers of current performance variances.

While not reflected in the April statements, the insurance renewal on the marina work boat has a 24% increase over last year's premium. Although translating to only \$125 this increase is noteworthy since it may be a harbinger of premium increases in other policies.

**GENERAL OPERATIONS**

At the end of the first quarter, general operations are \$6,800 ahead of budget and \$4,900 ahead of first quarter last year.

The change in the first vacant lot mow - April last year, May this year - is responsible for much of the variance evident between actual and budget and also between this year and last year. This is a temporary timing difference.

Utility costs, especially in the pool area, continue to perform better than budget leading to favorable bottom line impacts. And finally, when comparing "Other Expenses" this year to last year keep in mind that last year at this time there had been about \$12,000 in new capital expenses for the workshop drainage project.

**WATER OPERATIONS**

Water operations continue to outperform budget expectations. While there have been new water hookup revenues the biggest favorable impacts are coming from the timing of repair and other expenses. The timing of these items is always difficult to predict and the favorable variances often decrease throughout the summer months.

**MARINA OPERATIONS**

Marina operations are performing very close to budget. Variations in expense line items are mostly timing differences and should moderate over the next few months.

While not reflected in the April statements, the annual renewal has been received for the insurance on the marina work boat. The \$650 annual premium represents a 24% increase over last year's premium.

**CAPE GEORGE COLONY CLUB**  
**BOARD OF TRUSTEES MEETING**  
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<b>CAPE GEORGE COLONY CLUB</b>					
<i>Balance Sheet as of April 30, 2018 and 2017</i>					
<b>Assets</b>	<b>2018</b>	<b>2017</b>		<b>Liabilities and Fund Balances</b>	<b>2018</b> <b>2017</b>
Cash and Cash Equivalents:				Current Liabilities:	
Operations Checking	\$ 227,075	\$ 188,488		Accounts Payable & Other Liabilities	\$ 13,679      \$ 9,059
Operating Investment-Savings	82,065	98,294		Unearned Income General/Water/Etc.	53,607      47,790
Petty Cash (2 accounts)	600	600		Unearned Income Reserve Assment	13,101      11,860
Reserves - General, Water & Marina	887,888	696,151		Unearned Income Marina Wait List	1,600      1,250
Routine Reserve Assessment	74,229	70,160		Total Current Liabilities	81,987      69,959
Total Cash & Equivalents	1,271,857	1,053,693			
Net Accounts Receivable	7,579	19,241		<b>FUND BALANCES:</b>	
Total Net Fixed Assets	1,783,930	1,849,104		Fund Balances (Combined)	2,761,054      2,653,054
Total Prepaid & Other Assets	12,919	9,569		Modified Cash Basis Income	233,244      208,594
<b>TOTAL ASSETS</b>	<b>\$3,076,285</b>	<b>\$2,931,607</b>		<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 3,076,285      \$ 2,931,607</b>

**Summary Revenue and Expense Statements for the periods ended April 30, 2018 and 2017 (Modified Cash Basis)**

<b>2018 Year to Date</b>					<b>COMPARATIVE</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>		<b>2018 YTD</b>	<b>2017 YTD</b>	<b>Variance</b>	<b>%</b>
<b>General</b>					<b>General</b>				
General Assessment	\$ 148,288	\$ 148,288	-	0%	General Assessment	\$ 148,288	\$ 143,204	\$ 5,084	4%
Revenue - All Other Sources	197	7,022	(6,825)	>100%	Revenue - All Other Sources	197	8,515	(8,318)	>100%
Total General Revenue	148,485	155,310	(6,825)		Total General Revenue	148,485	151,719	(3,234)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	44,523	49,100	4,577	9%	Salaries, Benefits, PR Tax	44,523	41,567	(2,956)	-7%
Repairs & Maintenance	4,374	3,175	(1,199)	-38%	Repairs & Maintenance	4,374	2,965	(1,409)	-48%
Contracted Services	9,324	14,940	5,616	38%	Contracted Services	9,324	14,263	4,939	35%
Insurance	6,416	6,563	147	2%	Insurance	6,416	6,287	(129)	-2%
Pool Expense, pool utilitie:	11,820	15,667	3,847	25%	Pool Expense, pool utilitie:	11,820	14,031	2,211	16%
Utilities	3,792	3,547	(245)	-7%	Utilities	3,792	4,613	821	18%
Other Expenses (incl taxes	3,110	4,944	1,834	37%	Other Expenses (incl taxes	3,110	16,232	13,122	81%
Total General Expenses	83,359	97,936	9,141		Total General Expenses	83,359	99,958	445	
<b>General Net Income</b>	<b>\$ 65,126</b>	<b>\$ 57,374</b>	<b>\$ 7,752</b>	<b>14%</b>	<b>General Net Income</b>	<b>\$ 65,126</b>	<b>\$ 51,761</b>	<b>\$ 13,365</b>	<b>26%</b>
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 94,050	\$ 93,960	\$ 90	0%	Revenue - Water Use Fees	\$ 94,050	\$ 93,150	\$ 900	1%
Revenue - All Other Sources	4,925	1,500	3,425	228%	Revenue - All Other Sources	4,925	3,604	1,321	37%
Total Water Revenue	98,975	95,460	3,515		Total Water Revenue	98,975	96,754	2,221	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	20,480	21,962	1,482	7%	Salaries, Benefits, PR Tax	20,480	19,100	(1,380)	-7%
Repairs & Maintenance	317	3,776	3,459	92%	Repairs & Maintenance	317	2,385	2,068	87%
Contracted Services	6,763	8,241	1,478	18%	Contracted Services	6,763	6,055	(708)	-12%
Insurance	3,230	3,304	74	2%	Insurance	3,230	3,224	(6)	0%
Utilities	3,557	4,150	593	14%	Utilities	3,557	3,247	(310)	-10%
Other Expenses (incl taxes	8,449	10,870	2,421	22%	Other Expenses (incl taxes)	8,449	10,692	2,243	21%
Total Water Expenses	42,796	52,303	9,507		Total Water Expenses	42,796	44,703	1,907	
<b>Water Net Income</b>	<b>\$ 56,179</b>	<b>\$ 43,157</b>	<b>\$ 13,022</b>	<b>30%</b>	<b>Water Net Income</b>	<b>\$ 56,179</b>	<b>\$ 52,051</b>	<b>\$ 4,128</b>	<b>8%</b>



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<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 53,770	\$ 56,094	\$ (2,324)	-4%	Revenue - Moorage/Parking	\$ 53,770	\$ 50,770	\$ 3,000	6%
Revenue - All Other Sources	10,428	9,585	\$ 843	9%	Revenue - All Other Sources	10,428	10,208	220	2%
Total Marina Revenue	64,198	65,679	(1,481)		Total Marina Revenue	64,198	60,978	3,220	
<b>Expenses:</b>					<b>Expenses:</b>				
Salaries, Benefits, PR Tax	5,153	5,375	222	4%	Salaries, Benefits, PR Tax	5,153	4,527	(626)	-14%
Repairs & Maintenance	2,767	2,085	(682)	-33%	Repairs & Maintenance	2,767	2,292	(475)	-21%
Contracted Services	1,511	2,148	637	30%	Contracted Services	1,511	1,459	(52)	-4%
Insurance	2,261	2,133	(128)	-6%	Insurance	2,261	2,244	(17)	-1%
Utilities	2,675	2,167	(508)	-23%	Utilities	2,675	3,526	851	24%
Other Expenses (incl taxes)	927	1,451	524	36%	Other Expenses (incl taxes)	927	1,259	332	26%
Total Marina Expenses	15,294	15,359	65		Total Marina Expenses	15,294	15,307	13	
<b>Marina Net Income</b>	<b>\$ 48,904</b>	<b>\$ 50,320</b>	<b>\$ (1,416)</b>	<b>-3%</b>	<b>Marina Net Income</b>	<b>\$ 48,904</b>	<b>\$ 45,671</b>	<b>\$ 3,233</b>	<b>7%</b>
<b>Reserve Activity</b>					<b>Reserve Activity</b>				
Routine Reserve Revenue	62,228	62,228	-	0%	Routine Reserve Revenue	62,228	60,904	1,324	2%
Bad Debts, Recoveries, Misc	109	-	109	0%	Bad Debts, Recoveries, Misc	109	(1,993)	2,102	N/A
Reserve Interest - all	697	7	690	0%	Reserve Interest - all	697	200	497	249%
<b>Net Reserve Income</b>	<b>\$ 63,034</b>	<b>\$ 62,235</b>	<b>\$ 799</b>	<b>1%</b>	<b>Net Reserve Income</b>	<b>\$ 63,034</b>	<b>\$ 59,111</b>	<b>\$ 3,923</b>	<b>7%</b>
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 233,244</b>	<b>\$ 213,085</b>	<b>\$ 20,157</b>	<b>9%</b>	<b>Cmbnd Net Income/(Loss)(3)</b>	<b>\$ 233,243</b>	<b>\$ 208,594</b>	<b>\$ 23,325</b>	<b>12%</b>

**Manager's Report:** Sharon Mitchel

May 10, 2018

Last week our new seasonal maintenance person, Aimee Garrett, began her new job with us. Like Seasonal employees before her, Aimee will primarily be weed whacking ditches. She will also spend some time pulling weeds around the clubhouse, the office and removing poison hemlock on the berm and playground. She will occasionally assist Donnie with projects that require an extra helping hand. Donnie and Aimee spent last week clearing ditches on the southern half of the Colony. This week they are working in the Village and Huckleberry. Next week they'll be in Highlands. The first round is typically only the ditches with the tallest grasses. They typically trim the ditches three times throughout the growing season and each round takes 3 to 4 weeks. This is a really slow process, so we ask you for patience. If you have questions, please give us a call.

The first round of vacant lot mowing has been completed. Last year the grass was so wet that it caused mowing issues for the vendor. We delayed the first round this year for a few weeks so the end product looks so much better. I understand there are multiple lots that have not yet been mowed. Please remember that lots need to be mowed 3 times during the growing season (rule PP02).

When we recently ran the speed survey on Marina Drive, 55% of the cars were traveling over 20 miles per hour; 16% were traveling over 25 mph. Hopefully the new speed limit sign and flag that we installed will remind all of us to use caution as we enter the clubhouse parking area where people and pets could be walking/playing.

I recently spoke with the local Wave Broadband Commercial Sales representative about installing broadband internet and phone service for the Clubhouse. He believes it can be done and has requested a quote from their construction and engineering groups. He hopes to present their quote at our June Study Session.



CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
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The Highlands water gate valve has been repaired. We later heard that water pressure is low at the end of the Highlands and this apparently happens every spring once usage increases. The Water Manager and a water committee volunteer are looking at solutions. The chlorine pump recently failed again. We will be purchasing a different brand in hopes that solves the problem.

Materials are beginning to arrive for the dock electric project. The Marina Committee has done a wonderful job on preparing the docks and is ready ahead of schedule for the contractor. Thank you Lad and marina team!

Projects being worked on by the Office Administrator, Terri Brown:

- Lot mow map preparation and invoicing
- Assisting new Harbormaster

Projects being worked on by Maintenance, Donnie Weathersby:

- Training our new seasonal maintenance worker
- Repaired the water gate valve and is rebuilding the spare chlorine pump.
- Ditch and lawn maintenance

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

- Dog barking in the Colony that is less than the standard set by County ordinance
- Air BNB rental in the Village
- Members using Memorial park as an off leash area

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Marina and Water. Included is the Social Club's semiannual report.

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

It was noted that the Marina Committee meeting minutes of May 1, 2018 state "The Cape George Board has requested that a committee be formed to draw up a policy for live a board's in the marina." In fact the Board of Trustees has NOT made such a request. A member or members of the Marina Committee has expressed interest in drafting such a policy. Board Liaison, Ross Anderson, will so inform the Marina Committee of this needed correction.

**Information Items:**

- A. Rule PP04 Rental of Property rule applicability to short term rentals was discussed. PP04 will be rewritten to conform to the bylaw that was amended effective 1/1/17.
- B. Representatives of the Marina Committee reported on the process under way to develop a potential live aboard rule.
- C. The Harbormaster advised the Trustees that following inspection by a diver, the three pilings scheduled for major repair in 2018 won't be necessary. One piling will need some repair.
- D. The Trustees discussed recent boat re-measurements that resulted in some over and under payments of 2018 moorage.

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- E. The Trustees asked the Manager to make additional changes to Rule EMP01 Personnel Policy
- F. The Trustees decided to continue partnering with our current legal firm following the unexpected passing of our attorney.

**Member participation:** Robin Scherting proposed the idea of moving the playground equipment to Memorial Park.

**New Business Action Items:**

**Motion 1:** Ross Anderson moved and Carol Wood seconded to appoint Ben Fellows as Harbormaster who was recommended by the Marina Committee. Passed -4/0

**Motion 2:** Postponed.

**Motion 3:** Karen Krug moved and Joel Janetski seconded that in order to further compliance with the Cape George Colony Club, Inc. Articles of Incorporation and prevent inadvertent violation of RCW 19.09, the Charitable Solicitations Act that the Board rescind Motion #9 of May 11, 2006 and eliminate correlated Form MIS03. Passed-4/0

**Motion4:** Carol Wood moved and Ross Anderson seconded to approve 4 due date adjustments for 3 members. Passed-4/0

**Motion5:** Carol Wood moved and Karen Krug seconded to refund a clubhouse rental deposit. Passed-4/0

**Open Board Discussion:** Addressing concerns about the off leash area for dogs and vacation rentals discussed at this week's Study Session, the trustees suggested articles in upcoming newsletters.

**Announcements:**

- A. Meet the Candidates – June 12, 2018 2:00 P.M.
- B. Study Session – June 12, 2018 3:00 P.M.
- C. Board Meeting – June 14, 2018 3:30 P.M.

**Adjournment:** Karen Krug moved and Joel Janetski seconded to adjourn the Regular Board Meeting at 4:05 pm. Passed –4/0

**Submitted by:**

**Approved by:**

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Carol Wood, Secretary

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Katie Habegger, President

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**Committee reports:**

**Marina Committee Meeting, May 1, 2018**

The meeting was called to order at 11:00 am by Marina Chairperson Craig Muma.

Craig Muma thanked all the volunteers who gave their time and energy to make the Cape George Marina Sale a wonderful success. Cape George residents donated many items large and small for the sale. The proceeds from all the sale was \$5,200.00. Craig thanked Sonja Erickson for all the things she did as harbor master for the marina. Ben fellows has stepped up and offered to be the next harbor master and was well received by the marina committee. Committee members volunteered to close the marina gate for the month of May. Lad Burgin gave an update on the electric contract for the marina docks. Electric power will be shut off on May 7. Marina volunteers will be working on Tuesdays and Thursdays from 9:00 till Noon to remove the old electric system on the docks. The electric contract should start June 1<sup>st</sup> and be finished in two weeks barring unforeseen complications. Diver Jim Bodkin checked suspect piling in the marina and determined that they are good for the time being. One pile close to the south ramp is in need of work to repair the fiberglass jacket which will be repaired by marina volunteers. Ken Owen will supervise the zinc replacement at low tide July 11-12. Volunteers will be needed for the project. Two hanging zincs will be installed to see how they work on the sea wall. Emergency dock ladders will be reviewed to see there are more user friendly ladders for the marina. The combined Salmon Barbeque, Waterfront Festival and Regatta were discussed. Craig Muma volunteered to lead the project. The Cape George Board has requested that a committee be formed to draw up a policy for live a board's in the marina. Craig Muma produced a discussion paper on live a boards in the Cape George Marina. Lad Burgin volunteered to assist with the policy.

The Harbor Master can be reached at [capegeorgeharbormaster@gmail.com](mailto:capegeorgeharbormaster@gmail.com)

A dedicated phone number will be available soon.

The meeting was adjourned at 12:40 pm

**CAPE GEORGE WATER ADVISORY COMMITTEE MEETING REPORT, MAY 1, 2018**

The meeting was held at 5:00 pm at the Office. The following attended: Sharon Mitchel, Manager; Greg Rae, Water Manager; Larry Southwick, Committee Chair; and member Stewart Pugh.

1. The staff needs to shut off a water service for non-payment and the owner is still resisting by parking a car over the water meter. It's still a question if the car is in the right-of-way or not which might provide a course of action. We will need to amend the Water Rules to prohibit anything blocking access to a water meter as a necessary public safety measure – we need 24/7/365 access to

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all water meters. Sharon said that Karen was going to amend the Water Rule for other reasons and we could include this issue. That process will take a couple months to go through the Board including a public review period.

2. We had previously talked about the need to exercise the main valves on an annual basis. Sharon said that we have hired a summer temporary employee and that will be added to her duties.
3. We discussed water use at the pool. Stew talked to Donnie. We'll wait for the pool to close this September when the refill system will be shut off and we can better determine if there are other problems such as a leak.
4. Sharon is waiting for the owners of the 'orchard' property in the Cresthaven plat to file an application for a variance from the Water Rules.
5. Sharon has received complaints about low water pressure on Cole Avenue which is at the highest point on the Highlands pressure system. Greg and Donnie made some changes in the plumbing at the pump station and we also changed the control system with the programmable controller so there are several things that need to be looked at and do some more trouble shooting. We discussed other options which could include replacing the current three-pump system with a variable speed system that would be a substantial expense. Sharon looked at the Reserve Study and we have \$8,510 programmed for 2020. That kind of project would also require hiring a consulting engineer for analysis and a report with a recommended system that would have to be approved by DOH. Another option could be to add several bladder tanks (similar to a home owner's pressure water tank) which is similar to pressure systems in Port Ludlow. That could be done at less expense with our own resources and would not require an engineer. We would have to modify the building to add space for the tanks. We decided to continue to pursue that option for a 2019 budget project.
6. Stew said the most recent water meter reading had normal leak reports. Meters will be read again late this week or next.
7. Greg is preparing the annual reports, the Consumer Confidence Report (water quality) and the Water Use Efficiency Report which are required by DOH. They have to be mailed out to all customers with the upcoming ballots.

The next meeting will be on **June 5, 2018 at 5 pm at the Office.**

**Cape George Social Club Minutes, April 10, 2018 Spring Luncheon**

Meeting Called to Order by Cassie

Minutes of prior meeting Approved, motion by Norma Lupkes, seconded by Mary Rothschild.

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Introduce Leadership Team: Treasurer Leslie Fellner, and members Mary Maltby, Cassie Reeves, Laurie Owen, Marta Krissoovich, Mary Rothschild, Jane Ludwig and Reesa Rees.

Leslie presented Treasurer's Report (attachment) and announced that she would be stepping down as she is moving out of the area.

Briefly solicited additional members and discussed need for new Treasurer and signer on CGSC account. Leadership Team agreed to follow up on these items separately.

### **Old Business**

#### **Purchases:**

DVDNCR was donated to CGSC by Bob and Joyce Skoien.

Mountain picture was framed by Paul Happel at his cost, \$110. Social Club gave Paul a \$25 gift card to Courtyard Cafe as a thank you.

Digital Projector was purchased for \$615.

Lectern light estimated at \$75 was approved, but has not been purchased yet. Judith

Chambliss has been given approval to proceed with purchase.

Picnic Table repair/replacement update, funding request-Laurie Owen moved that we provide up to \$500 for supplies to repair picnic tables. Cassie Reeves seconded.

### **New Business:**

#### **Presentations:**

CD Player replacement funding request –Laurie Owen requested funds to replace stereo/CD player. Laurie Owen moved to contribute up to \$250, Mary Hilfer seconded.

Kitchen bids –Mary Hilfer obtained bids for a shade for the kitchen pass through opening. Kitty Rucker moved that we accept the bid of \$400 from Fox's Draperies, Mary Rothschild seconded.

Mary Rothschild-Cape George Revue. Ticket sales will be conducted at the Clubhouse on May 1st and 2nd. \$12/ticket, maximum 4 tickets per person.

Sonja on Marina Sale -Sonja on combined Salmon BBQ/Waterfront Festival August 19, 2018. Uncle Funk and the Dope 6 will be the band. Tickets will be required for salmon only.

Shelley Fye - Art Wall Recommendation of a display of nine 8x10 framed photos on the 'thermostat' wall so that each Committee could have a photo on display. Kitty moved that we approve with this, Laurie Owen seconded. This recommendation would be pending approval by the Board of Trustees. Laurie to follow up.

Mary Maltby on Newsletter advertising -Increasing advertising rates to \$15/mo for 12 months (with bonus 2 months), \$20/mo for 6 months (with bonus 1 month) and \$25/month for one time ads.

Kitty made motion to accept new rates, Laurie Owen seconded.

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Mary Maltby moved to contribute \$100 to the CG Office for paper for Newsletters, Mary Hilfer seconded.

Woody - Newcomer's Committee activities. Woody shared copies of the folder being given to new residents of Cape George. They also receive a \$10 gift card from Quimper Mercantile from the Social Club.

Jo Nieuwsma resigned her position with the Newcomer's Committee.

Kitty Rucker- upcoming Board elections and Nominating Committee and Halloween Party by Environmental Committee. Halloween Party will be free for Newcomer's with Social Club paying for the Newcomer's tickets.

Cassie-Grannie's Attic-We still need additional volunteers; set up (Mon-Thu 10-2), sale (Fri 9-4, Sat 9-12), clean up and haul away (Sat 12-2).

Thank you to Jane Ludwig and Carol Chandler for generous donation of a nice GE microwave oven for use in the Club House.

Upcoming Events:

April 20-21 Grannie's Attic  
April 27-28 Marina Sale  
May 18-19 Cape George Revue  
July 4 Independence Day BBQ  
July 18 Band at the Beach  
August 18 Salmon BBQ/Waterfront Festival  
September 3 Labor Day BBQ  
October 27 Halloween Party (Env. Committee)

Next Social Club meeting September 11, 2018 at 11:30 AM

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**President Katie Habegger called the meeting to order at 3:30 p.m.**

Welcome

The Annual Membership meeting will be held July 14, 2018, 2:00 P.M., at the Clubhouse. Written reports from committee chairs will be available on our website by July 9th.

Don't forget to vote!

**In Attendance:** Katie Habegger, Karen Krug, Richard Hilfer, Joel Janetski, Ray Pierson and Ross Anderson.

**Action on Minutes:** Richard Hilfer moved and Ray Pierson seconded to approve the minutes of the Regular Board Meeting dated May 12, 2018. Passed – 5/0

**Membership Report:** Richard Hilfer

James & Joanne Clarkson purchased 50 Pine from Steve & Vicky Rath

Carl Berger & Sarah Heiner purchased 161 Quinault Loop from Dennis & Leslie Fellner

Terry Graham & Jerri Torson purchased 160 Colman from David & Terri Fess

**Treasurer's Report:** Karen Krug

### TREASURER'S REPORT As of May 31, 2018

*A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website. The detailed statements as well as additional monthly financial material and are also available for review in the office as are the quarterly internal control reports.*

#### 2018 BALANCE SHEET COMMENTS

Bank statements have been received and reviewed with no exceptions. No banks are over the FDIC/NCUA limits although balances at two institutions are very close to the limits. Staff has been asked to identify an additional financial institution to help ensure that FDIC/NCUA limits are not exceeded.

As of May 31, 2018, total reserves are nearly \$900,000 with 62% dedicated to the water assets, 26% dedicated to general assets and the remaining 12% for marina assets. Until 2015 reserves were only funded with year-end excess operating funds. Currently because Members approved a distinct reserve assessment, reserves are funded with a combination of year-end excess operating funds and an allocated portion of the reserve assessment. Reserves can only be used for the major repair and replacement of assets.

#### 2018 REVENUE AND EXPENSE COMMENTS

Combined operations are performing ahead of both budget and the prior year. Lower labor expenses and timing differences in expenses for both repairs and contract services continue to be the primary reasons for the current favorable performance. Significantly lower utility costs in the pool area (see below) are also having a positive impact on operations.

In May Cape George received \$4,400 from the external collection agency when they were able to recover a long-standing bad debt account.



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**GENERAL OPERATIONS**

After five months of activity, general operations are performing \$12,000 better than budget and \$19,000 better than last year.

Revenues are slightly lower from both budget and prior year due to a mix of factors. Decreasing actual revenues is the \$5,500 loss on disposal of the old pool heat pump but that decrease was mitigated by about \$3,600 of the above mentioned bad debt recovery.

Labor costs are noticeably lower than budget as the hiring of a part-time caretaker occurred later than original anticipated. Contract services are exhibiting a large variance which is related to the timing difference of lot mows and so will diminish in June. The large positive variance in pool expenses is evenly split between repairs and utilities. The timing and nature of repairs are always difficult to budget. The favorable \$2,000 YTD utility variance is a combination of warmer temperatures, the new heat pump and perhaps some stasis in building moisture resulting from the new dehumidification system.

**WATER OPERATIONS**

Water operations continue to outperform budget expectations. While there have been new water hookup revenues the biggest favorable impact is from repair expenses which are often higher during the summer months. Supply expenses are also lower than budget and some of this may be related to a new chlorine pump that may be regulating the dispersal of chlorine more efficiently.

**MARINA OPERATIONS**

Marina operations are performing better than budget as a result of both favorable revenue variances and favorable expense activities. Copper from the old electrical wiring was sold for scrap and generated \$1,053 for the marina. Repair expenses are lower than budget which is understandable since most of the marina volunteers efforts are currently focused on replacing the electrical system.

**FUTURE FINANCIAL EVENTS**

Efforts to replace the marina electrical system are proceeding very well and through the end of May about \$33,000 of the total anticipated project cost of \$101,000 had been spent. The \$33,000 will be withdrawn from Marina reserves in June.

In May Cape George received the renewal proposals for the general hazard, excess liability, auto and directors and officers policies. The current overall estimated annual increase in the basic policies supplied through the CAU agency is about 3%. An option this year is to add new earthquake coverage which has not been available for the past several years. The \$2,000 annual earthquake premium has not yet been factored into the estimated 3% premium increase.

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<b>CAPE GEORGE COLONY CLUB</b>					
<i>Balance Sheet as of May 31, 2018 and 2017</i>					
<b>Assets</b>	<b>2018</b>	<b>2017</b>	<b>Liabilities and Fund Balances</b>	<b>2018</b>	<b>2017</b>
Cash and Cash Equivalents:			Current Liabilities:		
Operations Checking	\$ 173,963	\$ 175,319	Accounts Payable & Other Liabilities	\$ 15,396	\$ 18,513
Operating Investment-Savings	82,075	98,307	Unearned Income General/Water/Etc.	55,138	51,029
Petty Cash (2 accounts)	600	600	Unearned Income Reserve Assment	13,430	11,088
Reserves - General, Water & Marina	888,062	698,029	Unearned Income Marina Wait List	1,650	1,150
Routine Reserve Assessment	75,354	72,392	Total Current Liabilities	85,614	81,780
Total Cash & Equivalents	1,220,054	1,044,647			
Net Accounts Receivable	3,811	6,942	<b>FUND BALANCES:</b>		
Total Net Fixed Assets	1,820,507	1,849,347	Fund Balances (Combined)	2,761,054	2,653,054
Total Prepaid & Other Assets	11,584	6,628	Modified Cash Basis Income	209,288	172,730
<b>TOTAL ASSETS</b>	<b>\$3,055,956</b>	<b>\$2,907,564</b>	<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$3,055,956</b>	<b>\$2,907,564</b>

<i>Summary Revenue and Expense Statements for the periods ended May 31, 2018 and 2017 (Modified Cash Basis)</i>									
<b>2018 Year to Date</b>					<b>COMPARATIVE</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>		<b>2018 YTD</b>	<b>2017 YTD</b>	<b>Variance</b>	<b>%</b>
<b>General</b>					<b>General</b>				
General Assessment	\$ 148,288	\$ 148,288	-	0%	General Assessment	\$ 148,288	\$ 143,204	\$ 5,084	4%
Revenue - All Other Sources	9,027	12,365	(3,338)	>100%	Revenue - All Other Sources	9,027	12,642	(3,615)	>100%
Total General Revenue	157,315	160,653	(3,338)		Total General Revenue	157,315	155,846	1,469	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	56,885	62,144	5,259	8%	Salaries, Benefits, PR Tax	56,885	53,789	(3,096)	-6%
Repairs & Maintenance	4,476	3,799	(677)	-18%	Repairs & Maintenance	4,476	3,962	(514)	-13%
Contracted Services	15,624	21,203	5,579	26%	Contracted Services	15,624	20,588	4,964	24%
Insurance	8,008	8,204	196	2%	Insurance	8,008	7,858	(150)	-2%
Pool Expense, pool utilities	13,187	18,083	4,896	27%	Pool Expense, pool utilities	13,187	16,473	3,286	20%
Utilities	4,687	4,309	(378)	-9%	Utilities	4,687	5,169	482	9%
Other Expenses (incl taxes)	5,320	5,903	583	10%	Other Expenses (incl taxes)	5,320	17,929	12,609	70%
Total General Expenses	108,187	123,645	10,357		Total General Expenses	108,187	125,768	1,204	
<b>General Net Income</b>	<b>\$ 49,128</b>	<b>\$ 37,008</b>	<b>\$ 12,120</b>	<b>33%</b>	<b>General Net Income</b>	<b>\$ 49,128</b>	<b>\$ 30,078</b>	<b>\$ 19,050</b>	<b>63%</b>

<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 94,110	\$ 93,960	\$ 150	0%	Revenue - Water Use Fees	\$ 94,110	\$ 93,150	\$ 960	1%
Revenue - All Other Sources	5,501	1,500	4,001	267%	Revenue - All Other Sources	5,501	4,574	927	20%
Total Water Revenue	99,611	95,460	4,151		Total Water Revenue	99,611	97,724	1,887	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	25,849	27,648	1,799	7%	Salaries, Benefits, PR Tax	25,849	24,451	(1,398)	-6%
Repairs & Maintenance	368	4,720	4,352	92%	Repairs & Maintenance	368	7,864	7,496	95%
Contracted Services	8,027	9,873	1,846	19%	Contracted Services	8,027	7,153	(874)	-12%
Insurance	4,031	4,130	99	2%	Insurance	4,031	4,030	(1)	0%
Utilities	4,521	5,188	667	13%	Utilities	4,521	4,214	(307)	-7%
Other Expenses (incl taxes)	9,228	12,194	2,966	24%	Other Expenses (incl taxes)	9,228	11,439	2,211	19%
Total Water Expenses	52,024	63,753	11,729		Total Water Expenses	52,024	59,151	7,127	
<b>Water Net Income</b>	<b>\$ 47,587</b>	<b>\$ 31,707</b>	<b>\$ 15,880</b>	<b>50%</b>	<b>Water Net Income</b>	<b>\$ 47,587</b>	<b>\$ 38,573</b>	<b>\$ 9,014</b>	<b>23%</b>

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<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 55,072	\$ 56,094	\$ (1,022)	-2%	Revenue - Moorage/Parking	\$ 55,072	\$ 51,783	\$ 3,289	6%
Revenue - All Other Sources	12,261	9,818	\$ 2,443	25%	Revenue - All Other Sources	12,261	10,863	1,398	13%
Total Marina Revenue	67,333	65,912	1,421		Total Marina Revenue	67,333	62,646	4,687	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	6,423	6,729	306	5%	Salaries, Benefits, PR Tax	6,423	5,744	(679)	-12%
Repairs & Maintenance	2,800	3,731	931	25%	Repairs & Maintenance	2,800	2,292	(508)	-22%
Contracted Services	1,859	2,534	675	27%	Contracted Services	1,859	1,677	(182)	-11%
Insurance	2,833	2,666	(167)	-6%	Insurance	2,833	2,808	(25)	-1%
Utilities	3,283	2,708	(575)	-21%	Utilities	3,283	3,892	609	16%
Other Expenses (incl taxes)	1,057	1,790	733	41%	Other Expenses(incl taxes)	1,057	1,321	264	20%
Total Marina Expenses	18,255	20,158	1,903		Total Marina Expenses	18,255	17,734	(521)	
<b>Marina Net Income</b>	<b>\$ 49,078</b>	<b>\$ 45,754</b>	<b>\$ 3,324</b>	<b>7%</b>	<b>Marina Net Income</b>	<b>\$ 49,078</b>	<b>\$ 44,912</b>	<b>\$ 4,166</b>	<b>9%</b>
<b>Reserve Activity</b>					<b>Reserve Activity</b>				
Routine Reserve Revenue	62,228	62,228	-	0%	Routine Reserve Revenue	62,228	60,904	1,324	2%
Bad Debts, Recoveries, Misc.	380	-	380	0%	Bad Debts, Recoveries, Misc.	380	(1,991)	2,371	N/A
Reserve Interest - all	886	12	874	0%	Reserve Interest - all	886	256	630	246%
<b>Net Reserve Income</b>	<b>\$ 63,494</b>	<b>\$ 62,240</b>	<b>\$ 1,254</b>	<b>2%</b>	<b>Net Reserve Income</b>	<b>\$ 63,494</b>	<b>\$ 59,169</b>	<b>\$ 4,325</b>	<b>7%</b>
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 209,288</b>	<b>\$ 176,708</b>	<b>\$ 32,578</b>	<b>18%</b>	<b>Cmbnd NetIncome/(Loss)(3)</b>	<b>\$ 209,287</b>	<b>\$ 172,730</b>	<b>\$ 35,231</b>	<b>21%</b>

**Manager's Report:** Sharon Mitchel

June 12, 2018

The second round of vacant lot mowing is complete. All vacant lots need to be mowed 3 times during the growing season per rule PP02. I will be contacting members who have not mowed their vacant lots later this week.

The local Wave Broadband representative developed 2 bids to bring their cable to the clubhouse. The Marina Drive option was \$30,000 but can be reduced to about \$15,000 if we do the trenching and lay the conduit. The option of taking the cable down the hillside from Sunset is \$19,000. We have asked if it is possible to come from the southwest end of Victoria Loop. Since this bid was to support security cameras in the clubhouse, we will seek estimates for a hardwired system.

The Dock Electric project is moving along well and should be completed before the end of the month.

The Marina Committee continues their work on a potential liveaboard policy to present to the Trustees next month.

During the recent heavy rainstorm, water was running down the inside wall of the swimming pool room. What initially was thought to be a roof leak turned out to be a leak in older copper water pipes that serve our bathrooms. The pipes were replaced with new pex pipe.

After a long search for a new janitorial service, last month we engaged a new service. Nor'West Janitorial Service is now cleaning the clubhouse, pool and office on Saturday mornings. So far so good!

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I talked with County Department of Community Development about permit table drainage options at the clubhouse park area since it gets mushy in winter. The planner took a look at it Tuesday afternoon and believes the area's soils could be compacted. It's also a beach so the water table could be very high. He recommends adding pervious material such as sand to the soils in the area. He thought engineering a system to drain rain water to the bay would be quite costly. We will look at the feasibility of adding sand.

Projects worked on last month by the Office Administrator, Terri Brown:

- Lot mow map preparation and invoicing
- Ballot preparation and election list updates

Projects being worked on by Maintenance staff, Donnie Weathersby and Aimee Garrett:

- Ditch and lawn maintenance
- Weeding around clubhouse

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

- 2 Hedge complaints in the Village
- Multiple noxious weed complaints
- A Committee Chair reported violation of MIS08
- A large quantity of household garbage was dumped in marina/workshop area dumpster

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

**Information Items:**

- A. The Marina Committee was asked to propose a live aboard/stay aboard policy to the Trustees at the July Study Session.
- B. A member's request to discipline a Trustee and a Committee chair was denied after the Trustees heard from the involved parties.
- C. The Trustees directed the Manager to post the EMP01 draft in the July newsletter for member input.
- D. The discussion of PP04, 05, 06, 07, 08 and 09 was deferred.
- E. The Trustees discussed a member's request to sponsor a Democratic election forum that will be open to the Cape George community.

**Member participation:** none

**New Business Action Items:**

**Motion 1:** Richard Hilfer moved and Karen Krug seconded to approve the proposed Code of Conduct rule and corresponding signature form. Passed-5/0

**Motion 2:** Joel Janetski moved and Ray Pierson seconded to refer 5 accounts with balances over 180 days to SABA for collection. Passed-5/0

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**Motion 3:** Joel Janetski moved and Ray Pierson seconded to refund 2 clubhouse rental deposits. Passed-5/0

**Motion 4:** Ross Anderson moved and Richard Hilfer seconded to accept the Fitness Committee's donation of \$5974 to be used only to purchase a Precor elliptical machine and Life Fitness stationery bike. Passed-5/0

**Motion 5:** Karen Krug moved and Ross Anderson seconded that the Board approve Resolution 6-14-18 to transfer \$32,446.22 from Marina reserves to General Operations checking as reimbursement for items expended for the Marina electrical project as detailed in the Resolution included in the Study Session packet of June 12, 2018. Passed-5/0

**Motion 6:** Richard Hilfer moved and Karen Krug seconded to remove the fine schedule form MIS04 Complaint Procedures because the fine schedule is updated annually as MIS05. Passed-5/0

**Motion 7:** Karen Krug moved and Ray Pierson seconded for the Board to accept the proposal for insurance coverage as provided by the agent Community Association Underwriters, Inc. in their May 18, 2018 transmission and summarized in the Manager's memo of June 12, 2018 for general hazard and liability with the addition of optional earthquake coverage: commercial umbrella liability at \$10 million: directors and officers liability: commercial auto: and volunteer accident for an estimated annual cost of \$35,420. Passed-5/0

**Open Board Discussion:**

**Announcements:**

- Study Session – July 10, 2018 3:00 P.M.
- Board Meeting – July 12, 2018 3:30 P.M.
- Annual Membership Meeting – July 14, 2018 2:00 P.M.
- Special Board Meeting –July 14, 2018 (following annual membership meeting)

**Adjournment:** Richard Hilfer moved and Joel Janetski seconded to adjourn the Regular Board Meeting at 3:50 pm. Passed –5/0

**Submitted by:**

**Approved by:**

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**Carol Wood, Secretary**

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**Katie Habegger, President**



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**Committee reports:**

**Marina Committee Minutes - June 5, 2018**

Marina Chair Craig Muma convened the meeting at 11 am. About 30 members were present in the Cape George Clubhouse.

Craig reminded members that the July meeting will be held on the second Tuesday, the 10th, to avoid holiday conflicts.

Sam Melton reported that new zincs will be installed on the seawall July 13-15.

Gary Rossow reported that everything is in place for dredging of the marina entrance, scheduled for June 14-15.

Ben reported that he is exploring possible alternatives to dealing with electrolysis in the seawall. Alternatives could include electrical devices known as "impressed current" and/or aluminum anodes instead of zinc.

Craig reported plans for the annual Waterfront Festival August 18. Ben will organize the annual Regatta during the Festival.

Lad Burgin briefed members on the continuing effort to forge a liveaboard policy. He reported having received 32 emails, most of them opposed to allowing members to live on their boats. In addition, the majority of members who attended a recent meeting were opposed to liveaboards.

Lad offered a motion to prohibit liveaboards. The motion was seconded. An amendment was proposed to define a liveaboard as anybody who stays on their boat more than two days in a given week. That amendment was seconded and approved by a vote of 13-9.

After about 20 minutes of discussion, there was a motion to table Lad's motion. This was seconded. Members approved the motion to table by 14-10.

The meeting was adjourned at 12pm.

**ENVIRONMENTAL COMMITTEE MINUTES**

CAPE GEORGE CLUBHOUSE—Monday, May 14, 2018, 9:15 am

IN ATTENDANCE: Jo Blair, Varn Brooks, Christine Buzzard, Joan Hommel, Dennis McDaniel, Stephen McDevitt, Sharon Mitchel, Ruth Ross, Kitty Rucker, Robin Scherting, Linda Sutton

CALL TO ORDER: The meeting was called to order by Kitty at 9:15, and the April minutes were approved.

FISCAL REPORT: The current balance is \$2,835.64. (These are not funds that belong to Cape George Colony Club Inc.) No expenses were incurred in the past month.

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**OLD BUSINESS**

1. Beach Survey: Kitty confirmed that the training for the beach survey will take place at the Cape George Clubhouse on Tuesday, July 10 at 10 am. The actual beach survey in conjunction with the Marine Science Center will take place on Thursday, July 12. A notice was placed in the latest newsletter inviting interested individuals to volunteer for the training and survey. The following individuals have indicated that they will participate in the training: Varn Brooks, Christine Buzzard, Ann Jimenez, Karen Lull, Steve McDevitt, Ruth Ross, Fayla Schwartz. Chris will not be able to attend the survey but will complete the training so that she will be prepared for future surveys.
2. Annual Beach Walk: The Environmental Committee Annual Beach Walk is scheduled for Friday, July 13, from 9:30 until 12.
3. Coyotes, Cougars, and Bears Presentation: Naturalists, Lorna and Darrell Smith, will present a program on the ecology and safety suggestions regarding how we can live with these wild neighbors on Friday, May 25, 2018, at the Clubhouse, 7 p.m.
4. Weeding at the clubhouse: On April 24, Kitty, Steve, Dennis, and Ruth weeded the plantings in front of the clubhouse, in preparation for the sales at the clubhouse. Donnie then delivered bark which Kitty spread.
5. Whale Watch and Marine Mammals: Steve McDevitt provided the following link to the Orca Network website [http://www.orcanetwork.org/Main/index.php?categories\\_file=Sightings](http://www.orcanetwork.org/Main/index.php?categories_file=Sightings). He also reported that he has now completed training with the PTMSC Marine Mammal Stranding Network Program and has volunteered to monitor Areas 2 & 3, which includes the shore from Cape George to the head of Discovery Bay. If anyone finds a dead or living Marine Mammal, including Whales, Porpoises, Dolphins, Seals (Elephant Harbor), or Sea Lions, you can contact Steve at cell 347-607-1094, home 360-385-3940 or by email [joan\\_steve@earthlink.net](mailto:joan_steve@earthlink.net). If you can't reach Steve, call the PTMSC at 360-385-5582 EXT 103. They will find the next closest MMSN member and send them. Photos and GPS locations or landmarks will help. The link for the program is <https://ptmsc.org/programs/investigate/citizen-science/marine-mammal-stranding-network-and-necropsy-program>. The community Whale Watch is now in place. Reports of sightings are accepted during Cape George office hour's 9-2 pm weekdays, and residents will be alerted via e-mail blast.

**NEW BUSINESS**

1. Eagle tree cutting: A member asked Kitty about the eagles' nest in Cresthaven. Sharon reported that Lot 4, Cresthaven, will be clearing trees on their lot this fall so they can build their home. The tree with the eagle's nest is not on this property but on an adjoining property (Lot 5). The nest will not be removed as part of Lot 4's construction. Protections for trees where eagles nest or roost have been relaxed somewhat over the years since the population has recovered well. Varn noted that the eagles have been nesting there for over 15 years and have not appeared to be disturbed by a fire in the past nor by the recent nearby construction of new homes. As part of this discussion of tree cutting, it was suggested that it would be helpful if the Environmental Committee could create a resource concerning what types of trees are good to plant that will not grow so tall that they significantly block views. Kitty will consult Fayla about this.
2. Dog Off-Leash Area: The dog off-leash play group has been using Memorial Park for off-leash play when the clubhouse off-leash area is very wet. Memorial Park cannot be used as an off-leash area. The area at the bottom of Marina Drive to the south end of the boat parking lot is the only approved off leash area. It was suggested at the last Board meeting that adding drainage out to the bay might help. This may not be feasible due to environmental regulations. The committee discussed the off-leash issue and reviewed the Cape George Rules and Regulations concerning Livestock and Pets. Varn Brooks moved that the committee believes the current off-leash rule is adequate and appropriate, and we support making no change. Joan Hommel seconded the motion, and it passed unanimously.



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It was decided that it would be helpful to put a short article about the history of Memorial Park in the Newsletter, and Robin Scherting volunteered to write this. People can still dedicate items for the park such as benches, plants, etc. It would be helpful to have better signage indicating where the Marina and Memorial Park are located. The map in the center of directory should also show the location of Memorial Park.

3. New Employee: Sharon Mitchel reported that they have now hired Aimee Garrett (daughter of John and Lela Garrett on Dungeness Place) to work as a seasonal caretaker who will mow ditches, weed around the clubhouse, and assist with hemlock control, etc. Sharon confirmed the major problem of the second year poison hemlock is that it will bloom this year and spread further if not controlled. She is obtaining an estimate from another licensed herbicide applicator. The marina volunteers recently pulled 3 bags of hemlock. Sharon will notify the community if we do additional spraying, will post signs and have the applicator use a temporary blue dye which would help the community know which areas have been sprayed. The herbicide that is used is labeled as being safe for pets and humans 20 minutes after it is applied and has dried.

4. Volunteer List: Kitty distributed the list of jobs and who has volunteered to assume them. Now that Steve Shapiro has moved, there are many jobs open. It was suggested that we should have a table set up at upcoming programs sponsored by the Environmental Committee to let people know where help is needed and how to sign up. It is estimated that most of the jobs involve only 1-2 hours a month work. Ruth Ross and Robin Scherting volunteered to share the job of keeping the dog boxes supplied with bags. Kitty will let them know the location of the boxes so they can divide up the job.

5. Live Aboard Policy at the Marina: The Marina Committee is researching whether or not to formally allow marina liveaboards and propose a live aboard policy for the marina. A meeting will be held to gather input Wednesday, May 23rd in the Cape George Clubhouse from 1:00 to 3:00pm. The proposed policy recommendation will then be discussed at the next Marina Committee meeting on June 5, 2018, 11:00 am in the Workshop. Residents who cannot attend either meeting, but would like to provide input, can email their input to Lad Burgin at [CGliveaboard@gmail.com](mailto:CGliveaboard@gmail.com). The committee briefly discussed issues related to liveaboards in the marina, but decided it would be premature to send any recommendation to the Board now. We will wait and respond to the policy that will be proposed by the Marina Committee. Individual members of the committee are encouraged to attend the meeting on May 23 to learn more about the issue.

6. ADJOURNMENT: The meeting was adjourned at 10:30 am.

Respectfully submitted by Ruth Ross

### **Fitness Report May 2018**

The Fitness Committee met on May 22, 2018.

We thank all the members who continued to contribute to our fund raising drive. Because of the success of this we were also just able to order a newly refurbished Floor demo Precor Elliptical, Normally the price on this machine is listed at \$9000.00 our price was \$3499.00. Also again a floor demo model Life Fitness Bike to replace one of our very old tired bikes that has run its course was also ordered. These machines will be here in approximately 3 weeks from order date.

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New seats and grips for the Body Solid have been ordered and will be replaced when they arrive. Again, thank you to all of you who have been such a help.

Phyllis Ballough

Fitness Chair

**CAPE GEORGE WATER ADVISORY COMMITTEE MEETING REPORT, JUNE 5, 2018**

The meeting was held at 5:00 pm at the Office. The following attended: Sharon Mitchel, Manager; Karen Krug, Board Liaison; Greg Rae, Water Manager; Larry Southwick, Committee Chair; and members Scott James and Thad Bickling.

1. We discussed the Highlands pump station status and low pressure complaint. Greg and Stew checked out the pump operations and found the programmable controller that Stew had built and installed was turned off but don't know if that was the cause of the low pressure. The controller is now turned on and is operating with a daily checklist to verify it. Sharon has tried to communicate with the resident (renter) to see if they still have low pressure problems and hasn't had any response yet. We could do more monitoring of pressure and flow but wait and see if the problem has been resolved. There are several options for improving the pump operation but we would need to do more investigation before deciding the best long term option.
2. We previously discussed changing the water rules to require water meters to be accessible 24/7/365. Karen said that there are also a couple other issues that need to be updated. Sharon will draft something for us to review. Scott said that a meter on Huckleberry has been completely covered with gravel and Greg had previously reported a meter that was overgrown with grass.  
This meter read cycle will probably be done tomorrow (June 6). Stew wasn't present to discuss the leak report from previous readings.
3. The 'orchard' in Cresthaven still hasn't submitted an application for a variance but Sharon understands that they are prepared to submit it. Then we would need to schedule it for the Board to hold a hearing.
4. The annual Customer Confidence Report (water quality) and the Water Use Efficiency Report were just mailed out with the ballots to all customers. Sharon has updated the annual Water Facilities Inventory form for DOH.
5. The annual Membership Meeting will be on July 14, including annual committee reports.
6. Greg will continue to make some contacts regarding a replacement water manager if he resigns to take on more responsibility at Port Ludlow. Sharon will also contact the City water folks and perhaps DOH to see if there are other potential people that might be interested.

The next meeting will be on **July 3, 2018 at 5 pm at the Office.**

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**President Katie Habegger called the meeting to order at 3:30 p.m.**

Welcome

The Annual Membership Meeting will be held July 14, 2018, 2:00 P.M., at the Clubhouse.

A Special Board meeting will be held immediately following the Membership Meeting for the purpose of electing 2018-2019 officers.

**In Attendance:** Katie Habegger, Richard Hilfer, Joel Janetski, Ray Pierson and Carol Wood.

**Action on Minutes:** Carol Wood moved and Ray Pierson seconded to approve the minutes of the Regular Board Meeting dated June 14, 2018. Passed – 4/0

**Membership Report:** Carol Wood

Seth & Karah Ealy purchased 100 Vancouver Dr from Jennifer Nielsen

Sarah Heiner purchased lot 19 Quinault Lp from John Hutchings

Elizabeth Tobin & Tyler Thomas purchased 241 N Rhododendron Dr from Dan Mulvey

Dow & Gina Webber purchased 352 Dennis Blvd from Galen & Shelly Peterson

Scott & Collette Carpenter purchased 133 Marine View Pl from Jane Primm & Gail Hotohkee

**Treasurer's Report:** Karen Krug, who joined the meeting.

As of June 30, 2018

A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website. The detailed statements as well as additional monthly financial material and are also available for review in the office as are the quarterly internal control reports.

Comments for the six months ended June 30, 2018 are slightly different and less robust than a typical month since there is similar financial information prepared for the annual meeting.

**2018 RESERVE COMMENTS**

RESERVES	General	Water	Marina	Routine Reserve
<b>Audited Balance - 12/31/2017</b>	<b>\$225,378</b>	<b>\$554,670</b>	<b>\$104,980</b>	<b>\$12,344</b>
Final 2017 excess cash from operation (3/19/18)	11,914	8,840	6,788	0
2018 YTD collections Reserve Assessment	0	0	0	68,618
2018 YTD interest and other minor activity	259	636	120	61
2018 YTD Project Draws (thru 6/30/18):				
Marina electrical project	0	0	(32,791)	0
Replace one pool heat pump	(11,262)	0	0	0
Pool painting & repair	(10,254)	0	0	0
Fitness room bike replacement	(3,500)	0	0	0
<b>Unaudited Balance - 06/30/2018</b>	<b>\$212,536</b>	<b>\$564,146</b>	<b>\$79,097</b>	<b>\$81,023</b>
Known July final electrical project draw			(70,787)	
Anticipated 7/31/18 balance			\$8,310	

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Due to the unexpectedly high cost estimates, the marina has decided not to repair the three pilings originally approved in the 2018 budget. The only other remaining 2018 project is the \$6,200 update to the pool showers and that has not yet been started.

**2018 BALANCE SHEET COMMENTS**

Bank statements have been received and reviewed with no exceptions. No banks are over the FDIC/NCUA limits although balances at two institutions are very close to the limits.

The high accounts payable balance on 6/30/18 includes about \$71,000 in invoices related to the marina electrical project. Those invoices were paid in early July and funds from the marina reserve will be transferred in late July.

**2018 REVENUE AND EXPENSE COMMENTS**

Combined operations are performing ahead of both budget and the prior year. Lower labor expenses and timing differences in expenses for both repairs and contract services continue to be the primary reasons for the current favorable performance. Significantly lower utility costs in the pool area (see below) are also having a positive impact operations.

Marina operations appears slightly unfavorable to its budget but this is due to a timing difference between actual and budget related to the annual channel dredging which will self-correct in July.

Additional commentary on operating results for all three cost centers can be found on Page 3 of 3 in the Treasurer's Report for the July 14, 2018 annual Members' meeting.

<b>TREASURER'S REPORT</b>						
<b>As of June 30, 2018</b>						
<i>Balance Sheet as of June 30, 2018 and 2017</i>						
<b>Assets</b>	<b>2018</b>	<b>2017</b>		<b>Liabilities and Fund Balances</b>	<b>2018</b>	<b>2017</b>
Cash and Cash Equivalents:				Current Liabilities:		
Operations Checking	\$ 160,343	\$ 127,586		Accounts Payable & Other Liabilities	\$ 86,372	\$ 9,272
Operating Investment-Savings	82,092	98,319		Unearned Income General/Water/Etc.	73,744	74,259
Petty Cash (2 accounts)	600	600		Unearned Income Reserve Assment	18,425	18,801
Reserves - General, Water & Marina	855,791	698,077		Unearned Income Marina Wait List	1,400	1,200
Routine Reserve Assessment	81,023	79,685		Total Current Liabilities	179,941	103,532
Total Cash & Equivalents	1,179,849	1,004,267				
Net Accounts Receivable	2,296	2,966		<b>FUND BALANCES:</b>		
Total Net Fixed Assets	1,888,822	1,849,435		Fund Balances (Combined)	2,761,054	2,653,054
Total Prepaid & Other Assets	39,757	35,950		Modified Cash Basis Income	169,729	136,032
<b>TOTAL ASSETS</b>	<b>\$3,110,724</b>	<b>\$2,892,618</b>		<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$3,110,724</b>	<b>\$ 2,892,618</b>



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**Summary Revenue and Expense Statements for the periods ended June 30, 2018 and 2017 (Modified Cash Basis)**

2018 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2018 YTD	2017 YTD	Variance	%
<b>General</b>					<b>General</b>				
General Assessment	\$ 148,288	\$ 148,288	-	0%	General Assessment	\$ 148,288	\$ 143,204	\$ 5,084	4%
Revenue - All Other Sources	19,742	13,278	6,464	>100%	Revenue - All Other Sources	19,742	21,716	(1,974)	>100%
Total General Revenue	168,030	161,566	6,464		Total General Revenue	168,030	164,920	3,110	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	69,075	75,189	6,114	8%	Salaries, Benefits, PR Tax	69,075	66,376	(2,699)	-4%
Repairs & Maintenance	5,574	4,423	(1,151)	-26%	Repairs & Maintenance	5,574	4,717	(857)	-18%
Contracted Services	21,416	23,134	1,718	7%	Contracted Services	21,416	22,586	1,170	5%
Insurance	9,599	9,845	246	2%	Insurance	9,599	9,532	(67)	-1%
Pool Expense+pool utilities	17,238	20,500	3,262	16%	Pool Expense, pool utilities	17,238	20,001	2,763	14%
Utilities	5,290	5,071	(219)	-4%	Utilities	5,290	6,004	714	12%
Other Expenses (incl taxes)	10,583	9,419	(1,164)	-12%	Other Expenses (incl taxes)	10,583	22,406	11,823	53%
Total General Expenses	138,775	147,581	6,927		Total General Expenses	138,775	151,622	(2,453)	
<b>General Net Income</b>	<b>\$ 29,255</b>	<b>\$ 13,985</b>	<b>\$ 15,270</b>	<b>109%</b>	<b>General Net Income</b>	<b>\$ 29,255</b>	<b>\$ 13,298</b>	<b>\$ 15,957</b>	<b>120%</b>
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 94,110	\$ 93,960	\$ 150	0%	Revenue - Water Use Fees	\$ 94,110	\$ 93,150	\$ 960	1%
Revenue - All Other Sources	5,724	1,500	4,224	282%	Revenue - All Other Sources	5,724	5,544	180	3%
Total Water Revenue	99,834	95,460	4,374		Total Water Revenue	99,834	98,694	1,140	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	31,101	33,334	2,233	7%	Salaries, Benefits, PR Tax	31,101	30,046	(1,055)	-4%
Repairs & Maintenance	410	5,665	5,255	93%	Repairs & Maintenance	410	8,451	8,041	95%
Contracted Services	9,291	11,505	2,214	19%	Contracted Services	9,291	8,252	(1,039)	-13%
Insurance	4,832	4,956	124	3%	Insurance	4,832	4,836	4	0%
Utilities	5,680	6,225	545	9%	Utilities	5,680	5,202	(478)	-9%
Other Expenses (incl taxes)	11,804	14,367	2,563	18%	Other Expenses (incl taxes)	11,804	13,612	1,808	13%
Total Water Expenses	63,118	76,052	12,934		Total Water Expenses	63,118	70,399	7,281	
<b>Water Net Income</b>	<b>\$ 36,716</b>	<b>\$ 19,408</b>	<b>\$ 17,308</b>	<b>89%</b>	<b>Water Net Income</b>	<b>\$ 36,716</b>	<b>\$ 28,295</b>	<b>\$ 8,421</b>	<b>30%</b>
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 56,944	\$ 56,094	\$ 850	2%	Revenue - Moorage/Parking	\$ 56,944	\$ 53,821	\$ 3,123	6%
Revenue - All Other Sources	12,999	10,220	\$ 2,779	27%	Revenue - All Other Sources	12,999	11,286	1,713	15%
Total Marina Revenue	69,943	66,314	3,629		Total Marina Revenue	69,943	65,107	4,836	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	7,661	8,083	422	5%	Salaries, Benefits, PR Tax	7,661	7,071	(590)	-8%
Repairs & Maintenance	11,616	5,378	(6,238)	-116%	Repairs & Maintenance	11,616	11,406	(210)	-2%
Contracted Services	1,962	2,921	959	33%	Contracted Services	1,962	1,895	(67)	-4%
Insurance	3,404	3,200	(204)	-6%	Insurance	3,404	3,371	(33)	-1%
Utilities	3,416	3,250	(166)	-5%	Utilities	3,416	4,279	863	20%
Other Expenses (incl taxes)	1,470	2,250	780	35%	Other Expenses (incl taxes)	1,470	1,867	397	21%
Total Marina Expenses	29,529	25,082	(4,447)		Total Marina Expenses	29,529	29,889	360	
<b>Marina Net Income</b>	<b>\$ 40,414</b>	<b>\$ 41,232</b>	<b>\$ (818)</b>	<b>-2%</b>	<b>Marina Net Income</b>	<b>\$ 40,414</b>	<b>\$ 35,218</b>	<b>\$ 5,196</b>	<b>15%</b>
<b>Reserve Activity</b>					<b>Reserve Activity</b>				
Routine Reserve Revenue	62,228	62,228	-	0%	Routine Reserve Revenue	62,228	60,904	1,324	2%
Bad Debts, Recoveries, Misc.	39	(562)	601	0%	Bad Debts, Recoveries, Misc.	39	(1,991)	2,030	N/A
Reserve Interest - all	1,076	15	1,061	0%	Reserve Interest - all	1,076	310	766	247%
<b>Net Reserve Income</b>	<b>\$ 63,343</b>	<b>\$ 61,681</b>	<b>\$ 1,662</b>	<b>3%</b>	<b>Net Reserve Income</b>	<b>\$ 63,343</b>	<b>\$ 59,223</b>	<b>\$ 4,120</b>	<b>7%</b>
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 169,729</b>	<b>\$ 136,305</b>	<b>\$ 33,422</b>	<b>25%</b>	<b>Cmbnd Net Income/(Loss)(3)</b>	<b>\$ 169,729</b>	<b>\$ 136,032</b>	<b>\$ 32,370</b>	<b>25%</b>

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**Manager's Report:** Sharon Mitchel

Channel dredging was completed as scheduled June 23rd. Unfortunately after the contractor left a large rock was noticed in the channel. The Marina volunteers looked for creative ways to move it out of the way. In the meantime, boaters were advised of the submerged rock's location. The rock has now been removed.

Larry Southwick, Roads Chair, and I drove the Cape George Roads to identify 2018 road repairs. We will be seeking bids for some road patches, speed bumps on Marina Drive and crack sealing in a number of areas. We also identified multiple corners where shrubbery is growing too close to the road edge reducing visibility for drivers and pedestrians. We will need to be prune them back this summer.

Recently the Public Health Department performed their annual inspection of our pool. Our chemicals were perfect and the inspector was thrilled with our pool water clarity. We do need to repair the blistering plaster which has been scheduled for this fall.

Following renewal of our insurance policies, we have been notified by CAU that Triton Risk Management will be contacting us to schedule a risk management survey. Cape George was last surveyed by Triton in 2015. The purpose of the survey is to help identify conditions and practices that make us more susceptible to future loss.

A number of repairs will be seen in the vicinity of the clubhouse/marina this summer. Volunteers patched and painted the deteriorating picnic tables and benches. We also hope to build a sidewalk around the back of the pool to the fitness room later this summer.

The pool dehumidifier went off line twice this month. Three fuses were replaced, but it failed again. This time it was determined that the controller isn't working properly. I am waiting to hear next steps from the vendor.

We have been working to identify a low water pressure issue in the Highlands. Greg Rae and DD Electric looked at the booster pump system on Thursday. Greg is evaluating a long term solution and was able to get the pumps back online. There are internal parts to the pressure sustaining valves that are deteriorating.

WAVE Broadband contacted me with tentative pricing to take the cable from the south end of Victoria Loop to the Clubhouse. If we do the trenching, it would run approximately \$11,000. A member has volunteered to donate part of the cost.

Projects being worked on by the Office Administrator, Terri Brown:

- Processed quarterly assessment billing

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Projects being worked on by the Maintenance Staff Donnie Weathersby and Aimee Garrett:

- Completed the second round of road edge string trimming.
- Repaired two water meters broken by plumbers
- Weeding around the clubhouse and removed noxious weeds from the berm

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

- Residential garbage was dumped in the marina/workshop dumpster
- Construction lumber was dumped at the firepit
- An oil filter was dumped in the marina/workshop dumpster which leaked on the ground

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

**Information Items:**

- A. The Trustees discussed road visibility at the north corner of Quinault Loop. The Manager was directed to move the stop sign and respond to the member.
- B. The Marina Committee advised the Trustees that they have formed a subcommittee to prepare a Liveaboard/Stayaboard policy.
- C. The Manager was directed to publish rule PP04 updates in the August newsletter for member comment
- D. After many years of service to Cape George, Larry Southwick, Roads and Water Committee Chair, has resigned his position effective July 31<sup>st</sup>.

**Member participation:** Scott James suggested instead of an asphalt speed bump on Marina Dr, we might try a rubber one first. The roads committee chair and the manager are gathering information and pricing on all options at this point.

**New Business Action Items:**

**Motion 1:** Karen Krug moved and Joel Janetski seconded to accept the letter of resignation by Larry Southwick as Chair of the Water Committee as per his letter dated July 11, 2018. Passed- 5/0

**Motion 2:** Richard Hilfer moved and Ray Pierson seconded to approve the variance request for Docile Enterprises to install a water meter on a vacant lot without plans to build a house. Passed -5/0

**Motion 3:** Karen Krug moved and Carol Wood seconded to approve Cape George personnel policies (formerly EMP01) now known as EMP01 through EMP08, and as presented at the Study Session dated June 12, 2018. Passed – 5/0

**Motion 4:** Joel Janetski moved and Richard Hilfer seconded to add framed community pictures to the Clubhouse thermostat wall. Passed-5/0



**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
July 12, 2018  
3:30 PM**

**Motion 5:** Carol Wood moved and Karen Krug seconded to approve six due date adjustments as requested for five members. Passed-5/0

**Motion 6:** Richard Hilfer moved and Karen Krug seconded to approve the transfer of \$70,801.79 from Marina Reserves to General Checking for Dock Electric project expenses. Passed-5/0

**Open Board Discussion:**

Carol Wood reported that the Sheriff's sale of the property at 220 Coleman scheduled for July 13th has been cancelled. The manager reported on her contacts with the holding company about fees and assessments due and with SABA (the collection agency).

**Motion 7:** Karen Krug moved and Richard Hilfer seconded to rescind the latest collection by SABA for CAR003 which was approved at the June 14<sup>th</sup>, 2018 board meeting. Passed -5/0

Ray Pierson requested that a Notice be placed in the newsletter asking members to assist in maintaining their setbacks and ditches during the high growth periods.

**Announcements:**

- Annual Membership Meeting – July 14, 2018 2:00 P.M.
- Special Board Meeting –July 14, 2018 (following annual membership meeting)
- Study Session – August 14, 2018 3:00 P.M.
- Board Meeting – August 16, 2018 3:30 P.M.

**Adjournment:** Ray Pierson moved and Joel Janetski seconded to adjourn the Regular Board Meeting at 4:15 pm. Passed –5/0

**Submitted by:**

**Approved by:**

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**Carol Wood, Secretary**

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**Katie Habegger, President**

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
July 12, 2018  
3:30 PM

**Committee reports:**

**ENVIRONMENTAL COMMITTEE MINUTES**

**CAPE GEORGE CLUBHOUSE–Monday, June 11, 2018, 9:15 am**

**IN ATTENDANCE:** Varn Brooks, Christine Buzzard, Sue Dunning, Katie Habegger, Stephen McDevitt, Sharon Mitchel, Ruth Ross, Kitty Rucker, Robin Scherting, Fayla Schwartz, Linda Sutton

**CALL TO ORDER:** The meeting was called to order by Kitty at 9:15; May minutes were approved as revised.

**FISCAL REPORT:** Current balance is \$2,665.85. *(These are not funds that belong to Cape George Colony Club Inc.)* \$150 has been paid to the Port Townsend Marine Science Center (PTMSC) for the beach walk.

**OLD BUSINESS**

**1. Beach Survey:** Training for the beach survey in conjunction with the PTMSC will be at the Clubhouse, Tuesday, July 10, 10 am. Kitty will meet with representatives from PTMSC June 12 to determine best place for the survey. The survey will take place Thursday, July 12, 10 am. A notice in the May newsletter invited interested individuals to volunteer for the training and survey. Varn Brooks, Christine Buzzard, Ann Jimenez, Karen Lull, Steve McDevitt, Ruth Ross, Fayla Schwartz, and Linda Sutton will participate in the training.

**2. Coyotes, Cougars, and Bears:** Naturalists, Lorna and Darrell Smith, presented an excellent well-attended program on living with these wild neighbors May 25 at the Clubhouse. Kitty has received calls about deer and reassured people that mothers are not abandoning their fawns. Committee presentations will resume in the fall.

**3. Live Aboards:** The marina committee is still drafting wording for a proposed rule on live aboards. There is currently nothing in the Cape George bylaws concerning this. The committee will wait until the marina committee's draft wording is ready to provide feedback.

**4. Grass:** The grass planted between the gazebo and playground area came up but probably will not do well when the dry weather comes. It was agreed that this area is a beach and is not likely to ever look like a "lawn."

**5. New Volunteer List:** Kitty has followed up with people on the volunteer list to confirm they are still doing these jobs. Donnie has taken over a number of the things the committee used to do, and Dennis McDaniel has taken over a number of jobs that Steve Shapiro used to do. Chris noted that the Petanque Court should be added to the list of areas to be maintained. Community volunteers are needed to take over unfilled tasks; a list of open volunteer jobs is included as an addendum to the minutes. Mardella Rowland recently organized a very successful work party through the Next Door Cape George website to rejuvenate Cedar Park in the village, and a number of volunteers have agreed to adopt and maintain beds in the park.

**6. Annual Beach Walk:** Environmental Committee Annual Beach Walk is Friday, July 13, 9:30-12. Sue will help. Chris asked if Varn and Fayla could publicize native plant society events for CG community.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
July 12, 2018  
3:30 PM

**NEW BUSINESS**

**1. Whale watching--**CG office administrator Terri Brown recently sent out the first email blast about Orcas in the bay, which was very successful and many people thanked her for doing this. If you see Orcas in the bay when the office is open (M-F, 9 am-2 pm), call Terri (360-385-1177) and she will try to send out an email to CG.

**2. Year End Report to the Community:** Kitty will prepare this report for the Environmental Committee and get to Sharon Mitchel by July 5

**3. New Chairperson:** The committee discussed whether we would like to vote on a new chairperson and by universal acclaim the committee asked Kitty to stay on.

**ADJOURNMENT:** The meeting was adjourned at 10:15 am.

Respectfully submitted by Ruth Ross

**Marina Committee Minutes - July 10, 2018**

Marina Chair Craig Muma convened the meeting at 11am in the Marina Workshop

Lad Bergen reported that all contractor work has been completed for the electrical project. The only remaining volunteer work was to complete enclosure around South end breaker box. That enclosure is expected to be finished during next Tuesday's work party.

Marina channel rogue rock removal is scheduled for Wednesday July 11 at 8:30am

Ken Owen reported that installation of 5 "test" seawall zinc's is scheduled for July 11 at 8:30am

Marta Favati and Craig Muma summarized the proposed schedule of events for the August 18 Waterfront Festival. 9am to noon is open boat viewing on docks pending finding a volunteer to staff the gate. Noon is captain's meeting for Regatta. Noon-3 is kids activities and crafts. Noon is also when the memorial paddle will begin. At 3pm will be the "Mutt Strut" dog show. At 4pm beverages open and salmon on the grill. 5pm-8pm live music

Harbormaster Ben Fellows discussed the need to replace some corroded nameplates on the memorial lighthouse. Dale Huselton's daughter has ordered/purchased the replacements. Ben moved that she be reimbursed \$130 from fundraising account. Penny Jensen seconded the motion. The motion passed.

Gary Rossow updated us on our regular Corps of Engineers Marina Maintenance Permit which is up for renewal. He is working on that. Gary also updated us on the annual dredging permit for next year which will include our desire to slightly relocate the dredging spoils location over previous years and potential sediment bypass north side of north seawall.

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
July 12, 2018  
3:30 PM**

Ben Fellows has scheduled Lucinda Eubank of the Coast Guard Auxiliary for July 24<sup>th</sup> boat inspections in our marina. The inspections will begin at 9:15am. If you would like your boat on the list to be inspected please be sure to get it on the list in the marina workshop. Main catch points of these inspections are age of flares and inflatable life vest "green" indicators.

Harbormaster Ben Fellows discussed the need for regular replacement of oil/fuel cleanup spill pads and buoy's. An annual expenditure of ~\$150 would be needed to keep them current. Old/unused ones could be sold at marina sale as they are still good for other noncommercial uses.

Manager Sharon Mitchel discussed the annual boat registration (June) conflict with CG marina registrations (January). Discussions centered around need to limit rather than increase admin time in office to handle all this paperwork more than once a year.

Harbormaster Ben Fellows proposed a change to CP03 section 6 Waiting List. The motion is to replace the wording of item 4 to the following: **"A member has 30 days from the date of the offering letter to accept the offered slip by paying in full the moorage fees OR the offer of the slip will automatically expire.** Jack Scherting seconded the motion. There was little discussion as everyone agreed. The motion passed.

Lad Bergen introduced the live-aboard discussion with a motion to un-table it. Penny Jensen seconded. Motion passed. All attendants were allowed to speak 2 minutes each giving their thoughts to the rule as proposed at the last marina committee meeting. A new motion to amend was proposed by Penny Jensen and seconded by Shelly Fye. There was discussion but the amendment failed. After more discussion about a potential live-aboard rule it was clear we were not near enough to make a decision today. Lad Bergen motioned to once again table this rule proposal. This was seconded by Bianca Thayer. The motion to table passed. Craig Muma proposed the creation of a comprehensive live-aboard sub-committee to spend the time needed to flesh out the best policy/rule to recommend to the board.

Meeting adjourned at noon.

**CAPE GEORGE WATER ADVISORY COMMITTEE - MEETING REPORT, JULY 3, 2018**

The meeting was held at 5:00 pm at the Office. The following attended: Sharon Mitchel, Manager; Karen Krug, Board Liaison; Greg Rae, Water Manager; Larry Southwick, Committee Chair; and members Stewart Pugh, Scott James and Thad Bickling.

1. We again discussed the Highlands pump station status and low pressure complaint. Sharon talked with the resident on Cole who still has intermittent low pressure problems at times during the day but ok at night. Stew said that the pressure varies a lot at the pump station and it's hard to get steady pressure and flow readings when there is demand because of the way the system operates. Pressure at the pump station varies between 65 and 90 psi but we

CAPE GEORGE COLONY CLUB  
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don't know what it is at the residence which is at higher elevation. Stew will reset the low pressure range higher but that will cause the pumps to cycle more frequently and raise on/off contactor switch issues. We need to look into soft start or variable speed drives to address that concern. Stew will also review water meter records to see what the daily average flows are and put them on a map. We talked about the possibility of high irrigation use or even water theft at a blow off that could cause high flows and low pressure.

2. On June 14, a contractor dug up a water service line (not a main water pipe) on Colman Drive and they had to shut down the immediate area. Sharon sent out an email, "It is advised to run your outside hose bibb for a few minutes to flush out any brown water that may have occurred." Thad raised the question as to the need for a 'boil water' notice when we have such an incident. Greg reviewed the incident and concluded that it didn't contaminate the system water but that we should have contacted and reported it to DOH and issued a 'boil water' notice. He wrote out a complete procedure, met with all staff and explained the protocol to follow in these types of incidents. Thad reported dirty water where he lives on East Rhody and Larry also had dirty water on Queets Place so a minor shut down incident can affect quite a large area of the system.
3. Stew reported that the monthly leak reports were normal and that they did solve one 'leak' that the owner had repeatedly denied which was as a result of his water filter operations.
4. Greg said that he contacted Steve Wright who lives in the Highlands and might be interested in becoming the replacement 'water manager'. He has the right background and some of the required DOH certifications but may need more training and certifications for all the responsibilities, including operation of the water treatment system. Sharon, Greg and Larry will set up a meeting with Steve in the near future to discuss his interest and qualifications. Karen cautioned hiring Steve as a part-time employee versus strictly contractor status. Greg is getting more duties at his full-time job at Port Ludlow and could have to resign from Cape George as early as this fall.
5. Larry is resigning as Chair of the Water Advisory Committee so the Board can appoint a new Chair after the elections. It was suggested that Marc Horton who lives on South Rhody might be a good candidate. Sharon will contact him.
6. We also need to consider hiring an engineering firm/contractor in the foreseeable future for water and roads issues, partly because of Greg and Larry's departures, but also in anticipation that we'll need to update the Water System Plan in a few years. Greg will check with DOH as to when we would be required to update the Plan.

The next meeting will be on **August 7, 2018** at 5 pm at the Office.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES SPECIAL MEETING  
July 14, 2018  
2:20 pm

**The meeting was called to order by President, Katie Habegger, at 2:20 pm at the Clubhouse, following the Annual Membership Meeting.**

**Trustees present:** Katie Habegger, Karen Krug, Ray Pierson, Joel Janetski, Carol Wood and George Martin.

The purpose of the meeting was to elect new board officers, approve the board calendar and assign committee liaisons.

**Election of Officers:**

**Motion 1:** Carol Wood moved and Ray Pierson seconded to re-elect Katie Habegger as President. Passed - 5/0

**Motion 2:** Katie Habegger moved and Karen Krug seconded to elect Ray Pierson as Vice President. Passed – 5/0

**Motion 3:** Carol Wood moved and Katie Habegger seconded to elect Joel Janetski as Secretary. Passed – 5/0

**Motion 4:** Ray Pierson moved and Carol Wood seconded to re-elect Karen Krug as Treasurer. Passed -4/0

The board approved the 2018-2019 Board Calendar as set with the possibility of moving the annual membership meeting to September or October and establishing a deadline for committee reports to be submitted before the annual meeting.

**New Board liaisons and/or members were chosen for the following committees:**

Building Committee – Ray Pierson and Carol Wood

Election--Joel Janetski

Emergency Preparedness – Ross Anderson

Environmental – Katie Habegger

Fitness – Katie Habegger

Marina – Ross Anderson

Nominating – Joel Janetski

Pool – George Martin

Roads – Ray Pierson

Water – Karen Krug

Workshop –George Martin

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES SPECIAL MEETING  
July 14, 2018  
2:20 pm

The Trustees signed the FIN10 Conflict of Interest Policy Signature Form, which will be maintained for our records.

The Trustees signed the MIS09 Trustee Code of Conduct & Signature Form, which will be maintained for our records.

**Adjournment:**

Carol Wood moved and Joel Janetski seconded to adjourn the meeting at 2:33 pm.

Passed - 5/0

Submitted by:

Approved by:

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Carol Wood, Secretary

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Katie Habegger, President



CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 16, 2018  
3:30 PM

**President Katie Habegger called the meeting to order at 3:32 p.m.**

Welcome

**In Attendance:** Katie Habegger, Joel Janetski, Ray Pierson, Carol Wood and Ross Anderson.

**Action on Minutes:** Carol Wood moved and Ray Pierson seconded to approve the minutes of the Regular Board Meeting dated July 12, 2018. Passed – 4/0

Joel Janetski moved and Ray Pierson seconded to approve the minutes of the Special Board Meeting dated July 14, 2018. Passed -4/0

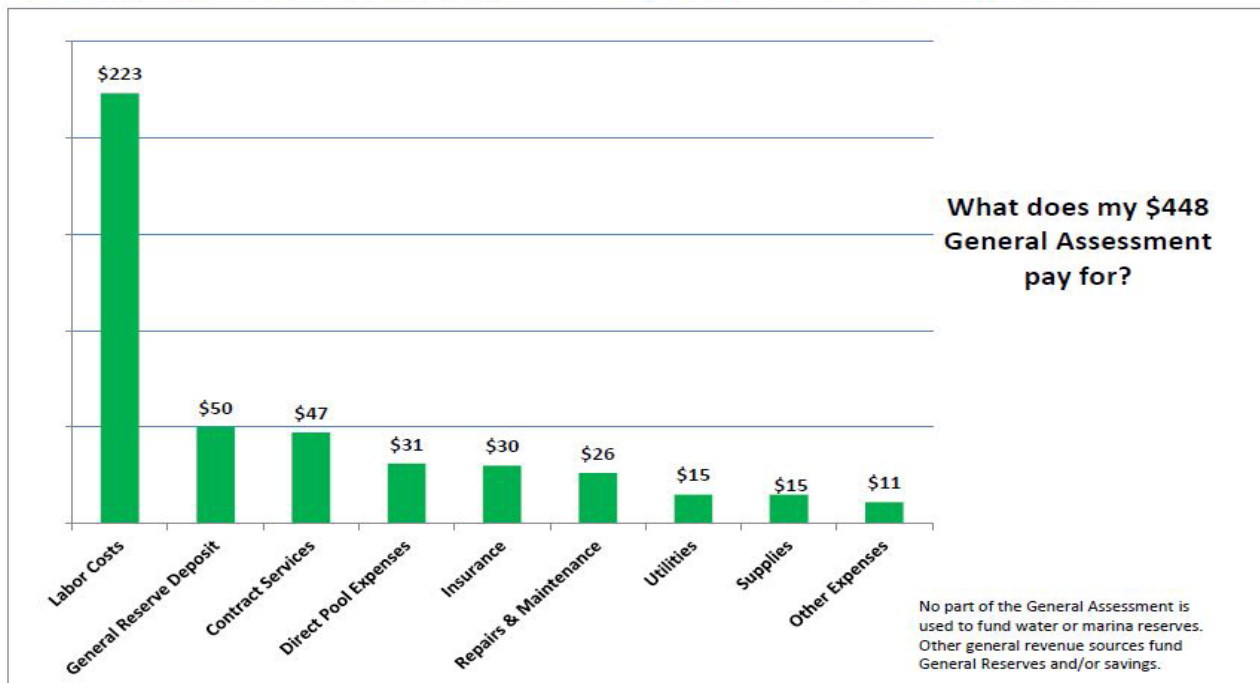
**Membership Report:** Joel Janetski

Soaring Hawk Holdings, LLC purchased 97 Pine Dr from Joe Finnerty  
Vernon Lauridsen & Patricia Young purchased 141 Pine Dr from George Meacham

**Treasurer's Report:** presented by Joel Janetski in Karen Krug's absence

**TREASURER'S REPORT**  
As of July 31, 2018

After the Annual Meeting, a number of Members asked, "How does Cape George spend the money I give them?" Instead of the typical monthly financial report, the charts that follow answer that question and a few others.



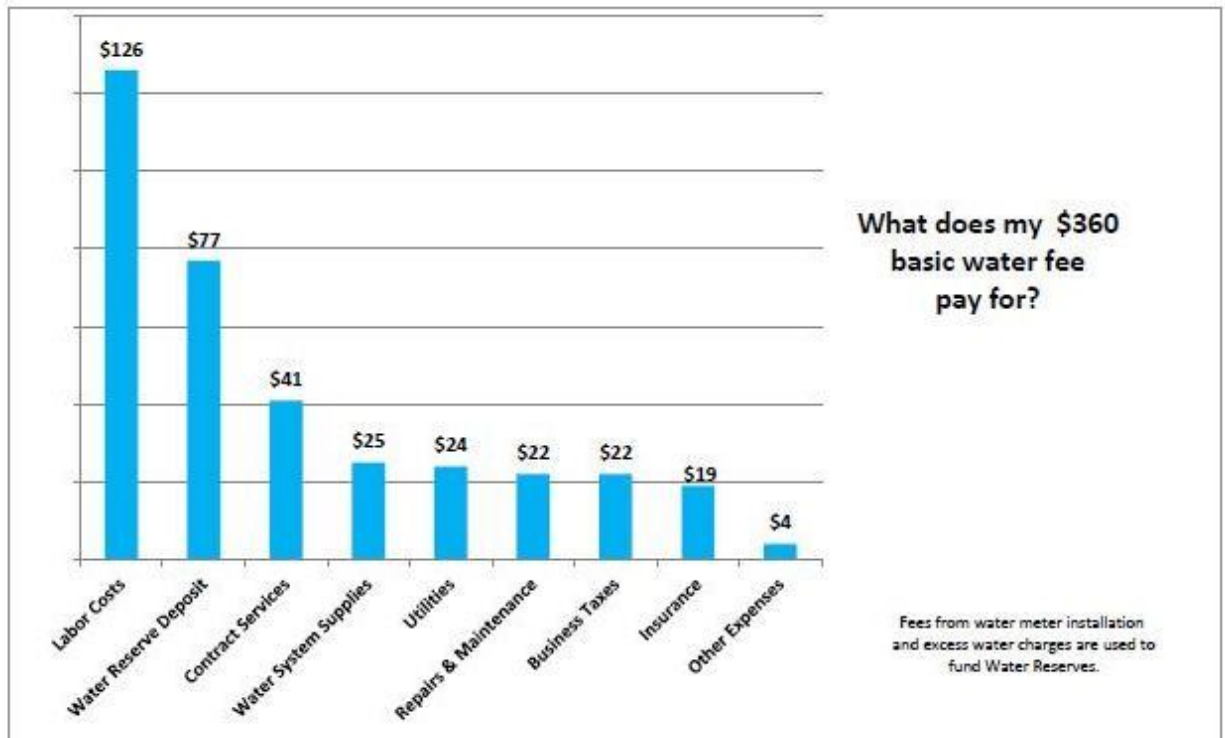
CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
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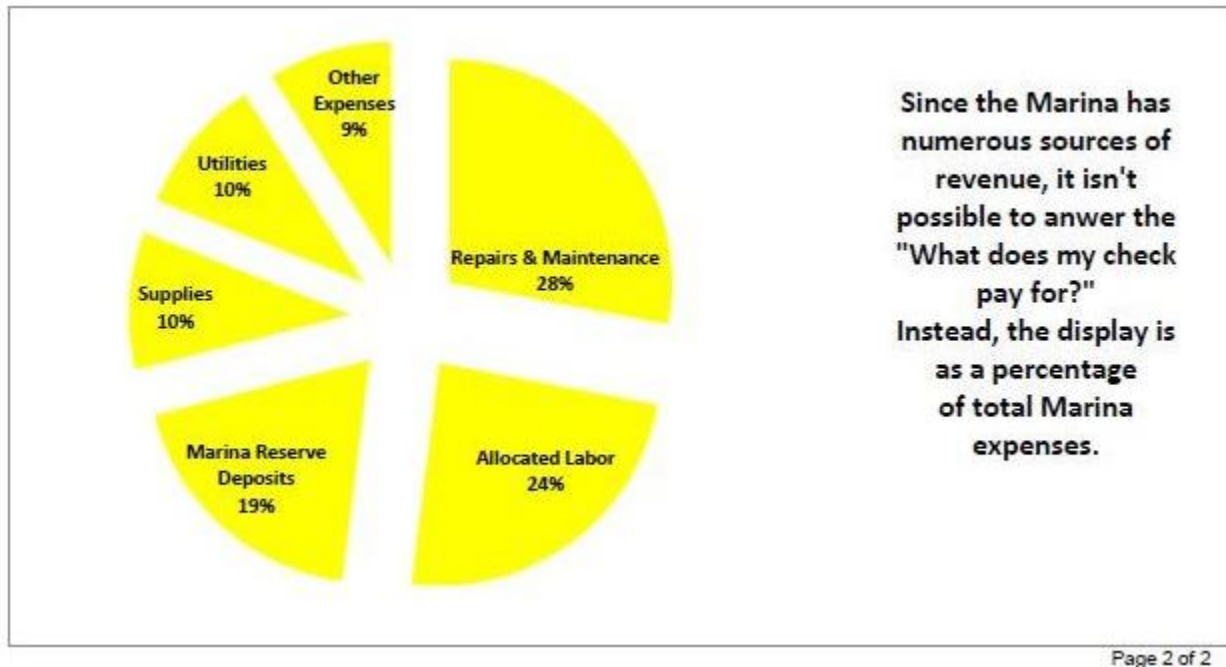
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**TREASURER'S REPORT**  
As of July 31, 2018

A graphical look at basic water fee payments and marina expenses.



CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 16, 2018  
3:30 PM



**Manager's Report:** Sharon Mitchel

Last month I reported that we were having issues with the pool dehumidifier fans. Fuses were replaced but the fans quit working again. The vendor returned and noticed that grass trimmings had blown under and stuck to the bottom of the fans. Maintenance staff will now monitor the fans.

We periodically see food rotting in the base of the clubhouse sanitizer. Since only clean dishes are supposed to be put into it, we have been baffled. Last week, our event Coordinator, Cookie Tonkunas, watched dirty water back up into the sanitizer while she was washing the dishes in the sink! Mystery solved. A plumber snaked the drain earlier this week.

Another mystery.... Donnie came in one morning to find a pipe leaking in the pool equipment room. While repairing it he found water was also coming up from the shower room floor drains. These couldn't be related issues! He then found that outside toilet tank's flapper was stuck in the open position. The constant flow of water overwhelmed the septic tank system, flooding the splice box in the septic tank, burning up the pump motor and a switch. What could have been a very minor repair became a \$942 septic repair. Moral of the story, if you see something in the community that needs repair, especially urgent repair, please contact the office.

GFCI outlets were installed on outdoor outlets by the gazebo and flagpole.

We installed a white stop bar at the intersection Quinault Loop and S. Palmer. We are hopeful that having members pull forward to the stop bar will help increase visibility around the hedge at that corner.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 16, 2018  
3:30 PM

Our longtime webmaster, Jerry Taylor, transitioned our website hosting to a new vendor since he is now retiring. The website transition was seamless, but moving our email caused a bit of disruption. Jerry was able to assist us in the transition.

Projects being worked on by the Office Administrator, Terri Brown:

- Processed quarterly assessment billing
- Assisted Workshop Committee with Salmon BBQ ticket sales

Projects being worked on by the Maintenance Staff, Donnie Weathersby and Aimee Garrett:

- Finalizing road edge string trimming
- Starting to exercise water main valves
- Conducted required annual DOH water tests
- Repaired and painted the office front porch and door
- Installed a water meter at a new home site

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

- Outside lights left on at multiple homes in the Village impairing visibility of the night sky (please turn out your lights!)
- Barking dogs in the Colony
- Burglary of an home in the Village while the owner was away
- Overgrown hedges along a curve in the Colony impairing visibility
- Complaint of brush pile in a back yard near a neighbor's propane tank -- a fire hazard
- Multiple reports of cars without stickers parked on our right of way and the clubhouse parking lot

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

**Information Items:**

- A The Manager provided a brief update on the Army Corps of Engineers visit. Gary Rossow was not able to stay.
- B The Trustees supported the Harbormaster's decision to reassign a member's slip location for safety reasons.
- C The Roads Chair discussed installing a temporary vs asphalt speedbump at Marina Drive and will be requesting bids for both as part of the annual roads repair process.
- D The Manager was directed to have our attorney review the proposed bylaw amendment regarding 1 lot/1 vote along with the related 2014 legal opinion.
- E Restricting pets from the clubhouse, pool and fitness room was discussed.

**Member participation:** None

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 16, 2018  
3:30 PM**

**New Business Action Items:**

**Motion 1:** Ross Anderson moved and Ray Pierson seconded to approve changes to CP03 Marina Usage proposed by the Marina Committee regarding sections 2.9 Harbormaster authority, 2.14 Compliance with waste discharge laws and 6.4 slip offering acceptance. The Manager is directed to publish the changes in the September newsletter. Passed - 4/0

**Motion 2:** Ross Anderson moved to adopt revisions to CP03 regarding marina liveaboards/stayaboards. The motion died for lack of a second.

**Motion 3:** Joel Janetski moved and Carol Wood seconded to accept the Workshop Committee's recommendation to appoint Mike LaPointe as Chair. Passed – 4/0

**Motion 4:** Ross Anderson moved and Joel Janetski seconded to authorize the Board President to appoint a volunteer committee to examine the feasibility of ending or revising the long-term lease of the Cape George firehouse and consider other community uses for the building. Passed – 4/0

**Motion 4:** Joel Janetski moved and Ross Anderson seconded to approve the modifications to the Rental of Private Property Rule PP04 and related forms as published in the August newsletter. Passed – 4/0

**Motion 5:** Ray Pierson moved and Carol Wood seconded to refund two clubhouse rental damage deposits. Passed – 4/0

**Motion 6:** Ross Anderson moved and Ray Pierson seconded to authorize the manager to refund two \$5 key deposits for a refund total of \$10. Passed-4/0

**Motion 7:** Carol Wood moved and Joel Janetski seconded to approve the list of signatories for the corporate financial accounts as presented at the Study Session on August 14, 2018. Passed – 4/0

**Motion 8:** Ray Pierson moved and Ross Anderson seconded to appoint Carol Wood, Trustee, as a member of the Building Committee. Passed – 4/0

**Motion 9:** Joel Janetski moved and Carol Wood seconded to approve 4 due date adjustments for 3 members. Passed – 4/0

**Open Board Discussion:**

**Announcements:**

- Study Session – September 11, 2018 3:00 P.M.
- Board Meeting – September 13, 2018 3:30 P.M.
- Board Training – September 13, 2018 following Board Meeting

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 16, 2018  
3:30 PM

**Adjournment:** Ray Pierson moved and Ross Anderson seconded to adjourn the Regular Board Meeting at 4:13 pm.  
Passed –4/0

**Submitted by:**

**Approved by:**

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Joel Janetski, Secretary

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Katie Habegger, President

**Committee reports:**

**ENVIRONMENTAL COMMITTEE MINUTES**

**CAPE GEORGE OFFICE–Monday, July 9, 2018, 9:15 am**

**IN ATTENDANCE:** Christine Buzzard, Katie Habegger, Stephen McDevitt, Sharon Mitchel, Ruth Ross, Kitty Rucker, Fayla Schwartz, Joan Soderland

**CALL TO ORDER:** The meeting was called to order by Kitty at 9:15; June minutes were approved as revised.

**FISCAL REPORT:** Current balance is \$2561.30 as of June 9, 2018; this reflects income of \$120.79 from sale of books, etc and expenditures of \$63 for books and \$162.34 for plants. (*These are not funds that belong to Cape George Colony Club Inc.*)

**OLD BUSINESS**

1. **Beach Survey:** Training for the beach survey in conjunction with the PTMSC will be at the Clubhouse, Tuesday, July 10, 10 am. Kitty has obtained parking permits for the outside trainers who are coming. (An alternate training will be done at the Marine Science Center at 4 pm for those who cannot make the morning session). Kitty met with representatives from PTMSC June 12 to determine best place for the survey. The actual survey will take place Thursday, July 12, starting at 9 am. Varn Brooks, Christine Buzzard, Ann Jimenez, Chuck Hommel, Karen Lull, Steve McDevitt, Ruth Ross, Fayla Schwartz, and Linda Sutton will participate in the training.

2. **New Volunteer List:** Kitty circulated the volunteer list with open jobs noted and asked committee members to speak with their neighbors about volunteering. Pat Gulick on Rhododendron has volunteered to maintain the front of the pool area. Chris Buzzard noted that we need more horseshoes in the horseshoe area. There is a set in the workshop and Kitty will see who they belong to.

3. **Annual Beach Walk:** Environmental Committee Annual Beach Walk is Friday, July 13, 9:30-12.

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 16, 2018  
3:30 PM**

**4. Whale Watch Notification:** If you see Orcas in the bay when the Cape George office is open (M-F, 9 am-2 pm), call Terri Brown (360-385-1177) and she will try to send out an email blast to CG. There have been two such notifications so far this year.

**5. Year End Report to the Community:** Kitty prepared this report for the Environmental Committee and submitted it to Sharon Mitchel in June. Kitty circulated the report to the members, and noted that a lot of work was accomplished in the past year by the committee.

**NEW BUSINESS**

**1. Rain Garden to Correct Wet Area at Beach:** In response to a request to find out what would be permitted to improve drainage by the beach, David Johnson, Department of Community Development suggested the possibility of establishing a rain garden at the beach. However, based on state recommendations, these types of gardens are not generally recommended because of the high water table in these locations.

**2. Shell Fish Harvesting:** Steve reported seeing people who are not CG residents collecting butter clams and horse clams for crab bait and not putting the uncollected live clams back in and filling the holes, as they are supposed to; he also saw some nonresidents who appeared to be there to collect octopi. Sharon suggested that it would be helpful if someone on the committee would write an article for the newsletter about what one can and can't do on the beach according to the Washington State Fish and Wildlife Regulations, and Kitty said she would do this. A separate issue involves neighborhood access. It was noted that, if people on the beach are parking in the neighborhood without a CG sticker on their cars, we can call Sharon Mitchel.

**3. Yellow jackets:** Kitty recently walked through the ravine with a young child and saw what looked like a yellow jacket nest that had been disturbed. Lorna and Darrel were asked to look at it and confirmed it was a yellow jacket nest. Sharon sent Donnie down and he sprayed the nest and took it away. Signage was put up that the area had been sprayed. The committee discussed the need to control these dangerous nests and how this should best be done.

**ADJOURNMENT:** The meeting was adjourned at 10:00

Respectfully submitted by Ruth Ross

**ENVIRONMENTAL COMMITTEE MINUTES**

**CAPE GEORGE CLUBHOUSE–Monday, August 13, 2018, 9:15 am**

**IN ATTENDANCE:** Varn Brooks, Christine Buzzard, Sue Dunning, Katie Habegger, Sharon Mitchel, Ruth Ross, Kitty Rucker, Fayla Schwartz, Robin Scherting

**I. CALL TO ORDER:** The meeting was called to order by Kitty at 9:15.

**II. APPROVAL OF MINUTES:** Sue Dunning moved that the July minutes be approved. The minutes were approved unanimously.



CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
August 16, 2018  
3:30 PM

**III. FISCAL REPORT:** The current balance is \$2,563.01 as of August 1, 2018. (*These are not funds that belong to Cape George Colony Club Inc.*)

**IV. OLD BUSINESS:**

**1. Beach Survey:** Kitty submitted an article on the July 12 beach survey (August 18 CG newsletter). Varn reported that he and Steve McDevitt spent about 1 hour completing a task that was not done during the original survey: recording the substrate in each area, not just along the profile line, but at 3 meter increments out to the side lines of the survey area.

**2. New Volunteer List:** Phyllis Ballough is caring for Amy's tree/trees and plantings in front of the office. Sharon reported Phyllis and Joan did a great job pruning rhododendrons. Pat Gulik is maintaining plantings in the pool area.

**3. Beach Walk:** Kitty submitted an article concerning the July 13 beach walk (August 18 CG newsletter). The walk was led by experts and volunteers from the Marine Science Center, and about 45 members and guests participated.

**4. Live Aboard Boats:** Sharon reported that, at their most recent meeting, the Marina Committee passed a recommendation to be discussed at the Study Session on 8/14. The proposed policy would allow stay aboards for up to 14 days in a calendar month, but no permanent live aboards. If someone wants to stay on a boat for longer term (e.g. while building a house), this decision would be made by the harbormaster and manager with a \$90/month charge. Sharon informed us that, after discussion, the Trustees will probably ask her to post the draft rule change, as amended, in the newsletter for community review & comment. The committee discussed the proposal and noted that under the current wording someone could actually stay aboard for 28 days (14 days at the end of one month & 14 days at the start of the next month). We wondered, if such a policy is approved, whether it would be better to define stay aboard limits by total number of days in a calendar year. Concerns were expressed about grey water being released in the marina, lack of pump-out facilities, and overuse of clubhouse facilities by stay aboards. However, members of the committee were also in favor of members/guests being able to make short stays (several days) aboard their boats. Fayla moved that we send the following resolution to the Trustees: "The Environmental Committee does not endorse the proposed live aboard policy as drafted because of the environmental implications of someone living aboard on a long-term basis." Robin seconded the motion, and it was unanimously approved.

**5. Article on Shellfish Harvesting.** At our July meeting, Varn reported seeing people harvesting clams on our beaches not following state regulations. On behalf of the Environmental Committee, Kitty submitted an article that appears in the August 18 CG newsletter summarizing state regulations for clamming on Washington beaches.

**V. NEW BUSINESS:**

**1. Deer on the highway.** Darrell and Lorna found a dead fawn up at the road. The committee discussed the need for drivers to be cautious when driving because of the many deer in the area.

**2. Dinner, October 27, 2018.** Kitty proposed October 27 as the date for the annual fall dinner sponsored by the Environmental Committee. Last year's Sock Hop was free of charge, but the group considered it appropriate to charge \$5 for this year's event, since this has traditionally been a committee fund raiser. It was decided to go with a Halloween theme with a costume contest. The \$5 will cover main dish and cider and we will ask people to bring sides/desserts. The

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group decided on a menu of brats (chicken, pork, and vegetarian) with fixings (buns, relish, ketchup, mustard, sauerkraut). The Committee will also supply chips and Halloween candy. Further plans will be discussed at our Sept 10 meeting.

**3. Films and projects for the coming year.** Kitty reported that she had contacted Darrell and Lorna Smith and that they are again willing to show and discuss films for us, probably starting in Sept or Oct; they will let us know. The group agreed that it wants to host another beach walk next summer, and that, as planned, the marine survey will be repeated next year and in subsequent years. Kitty will also discuss with Lorna whether we might be able to get the expert on cougars to do a presentation this year. Other possible topics suggested for presentations were: resident orcas, septic tanks, and puffins. Fayla noted that she will be doing a Cape George University presentation on native plants on Sept. 20, 2018.

**VI. ADJOURNMENT:** The meeting was adjourned at 9:55 am.

Respectfully submitted by Ruth Ross

**Marina Committee Minutes  
Aug 7th, 2018**

Marina Chair Craig Muma convened the meeting at 11:04am in the Clubhouse. Twenty-five members were in attendance.

Craig updated members on the status of the Marina Fundraising account which is at \$9136.00.

Harbormaster Ben Fellows asked members whether we should keep the old rusty half broken trailer that was occasionally used around the marina. The resulting discussion made clear we should not keep it. It is not on any asset or reserve schedule and was not registered so it will just be transported to the four corners salvage in the near future.

Harbormaster Ben Fellows inquired about an electric pump for emergency use on docks. Discussions revealed we had one already, but that it was not as clearly marked as it should be so that was going to happen at next Tuesday's workday.

Marta Favati and Craig Muma summarized the schedule of events for the August 18 Waterfront Festival. 9am to 11am is open boat viewing on docks. Marina dock hosts have been selected and will be present to ensure proper life vest use for any children attending. If anyone in the community has good clean children's life vests they can donate it would be much appreciated. Noon is captain's meeting for Regatta. Noon-3 is kids activities and crafts. At 1pm the Regatta will start. Also the memorial paddle will begin. At 3pm will be the "Mutt Strut" dog show. At 4pm beverages open and salmon on the grill. 5pm-8pm live music

Sam Melton reported that installation of 5 "test" seawall zinc's is completed per protocol.

Gary Rossow updated us on our regular Corps of Engineers Marina Maintenance Permit which is up for renewal. The Corps performed a site visit on July 13<sup>th</sup> with Gary to discuss what additional information Cape

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George will need to provide for our change requests this year. Part of that requirement is to map our eel grass beds. Ben and Gary will do this Friday August 10<sup>th</sup> at 9am. Also required for the permit (which will extend to 2024) are details about our change in location for the dredge spoils.

Harbormaster Ben Fellows introduced a rule change centered on section 2.9 of CP03 Marina Usage. Ben has proposed slight wording modification to help clear frequent misunderstandings about the Harbormasters authority to rearrange slip assignments. Gary Rossow moved that we accept this new wording and Craig Muma seconded it. During discussion Mike Lapointe noticed some wording had accidentally been left out from previous wording. Penny Jensen moved to re-include the wording and Lad Bergin seconded. The motion to amend passed. The motion for the updated rule then passed also. *New section 2.9 wording follows:*  
**2.9** *The Harbormaster is authorized to assign/reassign moorage and to move boats for reasons such as (but not limited to) improving efficiency and/or reducing risks. Except in extreme emergency, the Harbormaster shall attempt to contact the owner regarding movement of his vessel within the marina. Note: Slip assignments are not to be regarded as permanent. The Harbormaster may reassign your slip at any time for the convenience of Cape George. Movement of a vessel by the Harbormaster shall in no way hold the Harbormaster responsible for the safety of the vessel.*

Lad Bergin then led the process of working through Live-aboard and Stay-aboard use. The first order of business was to rescind the old motion that had been on the table from last month. Penny Jensen moved to rescind and Gary Rossow seconded. The motion passed.

The next order of business was to decide if there should be a new rule governing overnight use. Jack Scherting so moved and was seconded by Brian Ritchie. There was great discussion. Each member was given 2 minutes. After 25 minutes of discussion Gary Rossow called the question – majority favored ending discussion. A vote then on motion to recommend that the Board govern overnight use of the marina passed.

The next motion was to define liveaboard as: *Staying overnight on a vessel moored in the Cape George Marina for more than 14 nights in a calendar month.* Craig Muma moved and was seconded by Jack Scherting. The motion passed.

The next motion was to recommend to the Board that liveaboard use be prohibited with a provision that permission to stay aboard for more than 14 nights in a calendar month, up to a maximum period of six months, may be obtained with the approval of the Harbormaster and Cape George Manager. Craig Muma moved and was seconded by Jack Scherting. The motion passed.

The next motion was to include in the new rule some wording regarding Waste Discharge. The wording is: *Members moored in the Marina are required to comply with all applicable local, state and federal regulations regarding waste discharge. Any member who fails to comply shall be subject to fines and/or revocation of Marina privileges.* Brian Ritchie moved and Jack Scherting seconded. Discussion ran long and Gary Rossow called the question and was seconded by Penny Jensen – discussion ended. The motion for a Waste Discharge rule was then voted on and passed.

The next motion was to define a “Stayaboard use” rule as follows: *Stayaboard use of the marina (staying overnight on a vessel moored in the Cape George Marina to maximum of fourteen (14) nights in a calendar*

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*month) is permitted. Members wanting to stay aboard must register in advance with the Cape George Office. Permission to stay aboard for more than 14 nights in a calendar month up to a maximum period of six months may be obtained with the approval of the Harbormaster and the Cape George Manager.* Gary Rossow moved and Penny Jensen seconded. This motion passed. Gary Rossow then made a motion to amend this motion by simply changing “and” to “or” as follows “...Harbormaster *or* the Cape George Manager.” Penny Jensen seconded this amendment and the motion passed.

The last motion was to establish a fee recommendation to the board for Extended Stayaboard use. The proposed wording is as follows: *A fee of \$90.00 per month will be due and payable on the first of any month in which an extended stayaboard period has been approved.* Penny Jensen made the motion and was seconded by George Martin. Lengthy discussion ensued and eventually Penny Jensen called the question and was seconded by George Martin. Discussion ended. A vote on the fee motion passed.

Craig Muma adjourned the meeting at 1pm

**CAPE GEORGE ROADS COMMITTEE MEETING REPORT, AUGUST 8, 2018**

The meeting was held at 10:30 am at the Office. The following attended: Sharon Mitchel, Manager; Ray Pierson, Board Liaison; Larry Southwick, Chair; and Robert Holtz, member. Scott James is the other member who was out of town.

1. Larry is preparing a Request for Bids for annual pavement repairs (see below). In one location, there is previous pavement repair that has settled and needs to be redone. The rest are adding pavement on the inside of curves or intersection corners where traffic runs over the edge of the existing pavement. We are including additive alternate items for a speed bump at the bottom of the Marina Drive just up from the parking lot, either a manufactured rubber speed bump that could be removed if necessary or a permanent asphalt speed bump. We discussed the pros and concerns about speed bumps in general and specifically at that location due to the impact on boat trailers. We are also including alternate bid items to pave the north end of the parking lot at the Clubhouse and at the water facilities in the Highlands.

2. Larry is also preparing a separate bid list for pavement crack sealing at a number of locations. He will review that list on site with a representative from Rainbow Sweepers in Port Angeles, a pavement maintenance contractor; to better understand how to proceed. Larry suggested some areas with a lot of cracking might be better treated with a slurry seal type approach. Bob opposed that idea, having discussed that in previous years with the Roads Committee, and on the advice of a colleague pavement expert that slurry seal is only cosmetic and adds nothing to the strength of the pavement. Larry will report back after reviewing it in the field with Rainbow. Sharon added that we can also discuss with Rainbow and get costs for pavement sweeping several areas in the Highlands and at the entrance on Dennis Blvd. where leaves, needles and/or moss cover the pavement.

3. That led to a discussion about our insurance policies excluding any work that we do on roads maintenance with our own employees. That keeps us from having employees do the crack sealing and other similar work on the roadways which then requires us to have that work done by contractors.

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4. Sharon reviewed the reserve schedule for roads items, showing replacement of the snow plow in 2020 and the salt spreader in 2022. That kind of work also relates to the above item that we don't have insurance coverage for doing snow and/or ice control so maybe we should just sell that equipment. We are not aware of any contractors that would do snow and ice control on an as-needed basis so that needs further study and discussion. There is also a reserve item for replacing the traffic closure arm on Marina Drive which is not directly a 'Roads' item.

The budget for 2019 may need to include funds to pave the parking lots discussed above if we don't have sufficient funding this year, after we get the bids and need to make a decision on what to do this year.

5. We briefly talked about speed limits at 20mph versus 25 and about parking enforcement because we don't have a current contract for towing.

Next meeting not yet scheduled but we'll need to meet after we get the bids for the pavement repair work and more information and costs for crack sealing.

**CAPE GEORGE COLONY CLUB 2018 ROAD REPAIR REQUEST FOR BIDS**

BASE BID ITEMS (one total price for all 7 items) new pavement to match existing pavement depth, typically 5" +/-

1. NE corner of north intersection at South Palmer and Quinault Loop  
Grade shoulder and pave radius where traffic overruns the corner  
Approximately 25sf
2. SE corner of north intersection at South Palmer and Quinault Loop  
Grade shoulder and pave radius where traffic overruns the corner  
Approximately 15sf
3. NE corner of intersection at South Palmer and Dungeness Place  
Grade shoulder and pave radius where traffic overruns the corner  
Approximately 25sf
4. Near 560 Sunset Blvd  
Remove and replace previous patch; fill, grade and compact sub-base  
Approximately 50sf
5. Inside radius next to 51 Sunset Blvd.  
Grade shoulder and pave radius where traffic overruns the corner  
Approximately 90sf
6. East corner of intersection at Pine Drive and Dennis Blvd.  
Grade shoulder and pave radius where traffic overruns the corner  
Approximately 20sf

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7. East corner of intersection at Maple Drive and Dennis Blvd.  
Grade shoulder and pave radius where traffic overruns the corner  
Approximately 15sf

ADDITIVE ALTERNATE BID ITEMS (separate additive price for each item)

8. Marina Drive near bottom of hill just above parking lot where marked  
Install rubber temporary speed bump  
20lf (add catalog and item number, attach pdf copy)

**OR**

9. Marina Drive near bottom of hill just above parking lot where marked  
Install permanent asphalt speed bump  
20lf

10. North end of Clubhouse parking lot, currently gravel parking area  
Grade and pave parking lot, approximately 64 feet long by average 30 feet deep  
3" ATB and 2" top asphalt paving or equivalent

11. Ed Skowrya Memorial Water Facilities, Johnson Avenue, gravel parking area  
Grade and pave parking lot, approximately 50 feet long by average 35 feet deep  
3" ATB and 2" top asphalt paving or equivalent

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**President Katie Habegger called the meeting to order at 3:30 p.m.**

Welcome

An Executive Session will be held immediately following the Regular Board Meeting to discuss personnel matters

**In Attendance:** Katie Habegger, Ray Pierson, Carol Wood, Ross Anderson, Karen Krug and George Martin

**Action on Minutes:** Ray Pierson moved and Carol Wood seconded to approve the minutes of the Regular Board Meeting dated August 16, 2018. Passed –5/0

**Membership Report:** Ray Pierson

Natalie, Cody & Teresa Ainge purchased 90 San Juan from Charles Limerick  
Christine Mousel purchased 161 Colman Dr & lot 46 Colman Dr from Mike & Anne Mullin  
Charles Arthur purchased 120 & lot 8 Vancouver Dr from Holdem Holdings LLC  
Joe Giseburt purchased 193 N Rhododendron Dr from Charles & Nancy Boulay  
Steven & Maureen Gustafson purchased 330 Colman Dr from HUD  
Peter & Anna Quinn purchased 201 N Palmer Dr from Helene Lais Trust  
Peter & Kimberlee Wilding purchased lot 6 S Palmer from Diane Webb & John Willmore  
Charles Arthur purchased lot 6 Vancouver Dr from the Suzanne Atkins Estate

**Treasurer's Report:** Karen Krug

As of August 31, 2018

A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website. The detailed statements as well as additional monthly financial material and are also available for review in the office as are the quarterly internal control reports.

**2018 BALANCE SHEET COMMENTS**

Bank statements have been received and reviewed with no exceptions. No banks are over the FDIC/NCUA limits although balances at two institutions are very close to the limits. Staff continues to have on their "to do" list the identification of an additional financial institution to help ensure that FDIC/NCUA limits are not exceeded.

The balance sheet remains healthy due primarily to the steady increase in reserve balances. All but one of the Member approved reserve projects has been completed so reserve balances should finish the year close to expectations. The remaining project is the shower update at \$6,200 from the General reserve.

Cash in the operations savings account, which by Member vote must remain at or above \$70,000, is slowly growing toward the "90 days cash on hand" recommended by most financial professionals as an operating safety net. After last year's unexpected need to use funds for the workshop drainage project, the account holds \$82,000 or about 65 days of overall operating expenses.



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2018 REVENUE AND EXPENSE COMMENTS

Combined operations are performing ahead of both budget and the prior year. With slightly more than one quarter of the fiscal year remaining, all cost centers appear on target to meet or slightly exceed their budgeted bottom line goals. The last quarter of the year often sees heavy repair and maintenance expenses in both general and water operations, so continued financial vigilance remains important.

GENERAL OPERATIONS

General operations are on solid footing going into the final quarter of the year. Higher than expected revenue from Bad Debt Recoveries, \$4,600, coupled with donations for small equipment of \$8,100 are driving the positive revenue picture and offsetting the \$5,200 loss on early disposal of the unexpected replacement of a heat pump earlier in the year.

On the expense side, lower than anticipated labor costs due mostly to the delay in hiring the seasonal caretaker along with lower than anticipated pool utility costs are mitigating the over-expenditures in categories like repairs and small tools. As noted above road repairs, always one of the largest repair categories, have not yet been started.

WATER OPERATIONS

Like general operations, water operations exhibits solid performance for the first eight months of the fiscal year. Bad debt recoveries of \$1,200 were a welcome addition to the revenue stream.

The biggest contributor to the positive performance this year has been the absence of unforeseen repairs and maintenance. Due to the critical nature of the water system it has been the Cape George practice to build cushion into the water operations budget and 2018 was no exception. If no major repairs or maintenance are needed during the year that cushion flows to water reserves. No scheduled or needed maintenance or repair has been deferred.

MARINA OPERATIONS

Like the other cost centers, marina operations are on target to perform better than their bottom line budget targets. Their revenue in all categories is at better than budget. In addition, the \$1,000 from the sale of scrap copper when the old electrical system was replaced has added to the revenue performance.

As always, the expense challenge faced by the marina during the final few months of the year is that there will be virtually no additional revenue during that period. The improvement in electric usage resulting from the new dock electrical system should provide some positive benefits in that regard but it is too early to speculate on how much.

FUTURE FINANCIAL EVENTS

Preparing the 2019 budget, both for the operations of the three cost centers and for future reserve expenditures is the focus for most of September and October. Once those tasks have been completed, approved by the Board and sent on to the Members for ratification, the attention will turn to preparing for year-end and the 2018 audit.

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		CAPE GEORGE COLONY CLUB						
		Balance Sheet as of August 31, 2018 and 2017						
Assets		2018	2017		Liabilities and Fund Balances		2018	2017
Cash and Cash Equivalents:					Current Liabilities:			
Operations Checking		\$ 185,958	\$ 137,402		Accounts Payable & Other Liabilities		\$ 13,240	\$ 9,353
Operating Investment-Savings		82,162	98,344		Unearned Income General/Water/Etc.		40,320	31,871
Petty Cash (2 accounts)		600	600		Unearned Income Reserve Assment		-	7,923
Reserves - General, Water & Marina		785,415	698,179		Unearned Income Marina Wait List		1,600	1,300
Routine Reserve Assessment		100,825	98,804		Total Current Liabilities		55,160	50,447
Total Cash & Equivalents		1,154,960	1,033,329					
Net Accounts Receivable		2,669	5,581		FUND BALANCES:			
Total Net Fixed Assets		1,888,822	1,849,104		Fund Balances (Combined		2,761,054	2,653,054
Total Prepaid & Other Assets		30,513	29,852		Modified Cash Basis Income		260,750	214,366
TOTAL ASSETS		\$3,076,964	\$2,917,868		TOTAL LIABILITIES & FUND BALANCE		\$3,076,964	\$ 2,917,868

**Summary Revenue and Expense Statements for the periods ended August 31, 2018 and 2017 (Modified Cash Basis)**

<b>2018 Year to Date</b>					<b>COMPARATIVE</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>		<b>2018 YTD</b>	<b>2017 YTD</b>	<b>Variance</b>	<b>%</b>
<b>General</b>					<b>General</b>				
General Assessment	\$ 222,432	\$ 222,432	-	0%	General Assessment	\$ 222,432	\$ 214,806	\$ 7,626	4%
Revenue - All Other Sources	26,982	19,603	7,379	>100%	Revenue - All Other Sources	26,982	29,931	(2,949)	>100%
Total General Revenue	249,414	242,035	7,379		Total General Revenue	249,414	244,737	4,677	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	94,320	101,277	6,957	7%	Salaries, Benefits, PR Tax	94,320	91,382	(2,938)	-3%
Repairs & Maintenance	7,374	5,670	(1,704)	-30%	Repairs & Maintenance	7,374	5,232	(2,142)	-41%
Contracted Services	30,047	31,329	1,282	4%	Contracted Services	30,047	34,812	4,765	14%
Insurance	13,130	13,126	(4)	0%	Insurance	13,130	12,672	(458)	-4%
Pool Expense, pool utilities	21,023	25,333	4,310	17%	Pool Expense, pool utilities	21,023	25,067	4,044	16%
Utilities	6,748	6,594	(154)	-2%	Utilities	6,748	7,489	741	10%
Other Expenses (incl taxes)	10,949	11,341	392	3%	Other Expenses (incl taxes)	10,949	23,902	12,953	54%
Total General Expenses	183,591	194,670	6,531		Total General Expenses	183,591	200,556	(773)	
<b>General Net Income</b>	<b>\$ 65,823</b>	<b>\$ 47,365</b>	<b>\$ 18,458</b>	<b>39%</b>	<b>General Net Income</b>	<b>\$ 65,823</b>	<b>\$ 44,181</b>	<b>\$ 21,642</b>	<b>49%</b>

<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 141,330	\$ 140,940	\$ 390	0%	Revenue - Water Use Fees	\$ 141,330	\$ 139,950	\$ 1,380	1%
Revenue - All Other Sources	7,265	1,500	5,765	384%	Revenue - All Other Sources	7,265	5,544	1,721	31%
Total Water Revenue	148,595	142,440	6,155		Total Water Revenue	148,595	145,494	3,101	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	42,063	44,706	2,643	6%	Salaries, Benefits, PR Tax	42,063	41,275	(788)	-2%
Repairs & Maintenance	740	7,553	6,813	90%	Repairs & Maintenance	740	10,718	9,978	93%
Contracted Services	11,846	14,769	2,923	20%	Contracted Services	11,846	12,586	740	6%
Insurance	6,609	6,608	(1)	0%	Insurance	6,609	6,446	(163)	-3%
Utilities	8,465	8,300	(165)	-2%	Utilities	8,465	7,755	(710)	-9%
Other Expenses (incl taxes)	16,129	19,115	2,986	16%	Other Expenses (incl taxes)	16,129	17,535	1,406	8%
Total Water Expenses	85,852	101,051	15,199		Total Water Expenses	85,852	96,315	10,463	
<b>Water Net Income</b>	<b>\$ 62,743</b>	<b>\$ 41,389</b>	<b>\$ 21,354</b>	<b>52%</b>	<b>Water Net Income</b>	<b>\$ 62,743</b>	<b>\$ 49,179</b>	<b>\$ 13,564</b>	<b>28%</b>

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<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 57,372	\$ 56,094	\$ 1,278	2%	Revenue - Moorage/Parking	\$ 57,372	\$ 54,294	\$ 3,078	6%
Revenue - All Other Sources	14,051	10,515	\$ 3,536	34%	Revenue - All Other Sources	14,051	13,900	151	1%
Total Marina Revenue	71,423	66,609	4,814		Total Marina Revenue	71,423	68,194	3,229	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	10,258	10,790	532	5%	Salaries, Benefits, PR Tax	10,258	9,713	(545)	-6%
Repairs & Maintenance	12,068	17,670	5,602	32%	Repairs & Maintenance	12,068	13,103	1,035	8%
Contracted Services	1,473	3,693	2,220	60%	Contracted Services	1,473	2,874	1,401	49%
Insurance	4,660	4,266	(394)	-9%	Insurance	4,660	4,496	(164)	-4%
Utilities	3,890	4,333	443	10%	Utilities	3,890	4,657	767	16%
Other Expenses (incl taxes)	2,134	2,576	442	17%	Other Expenses (incl taxes)	2,134	2,133	(1)	0%
Total Marina Expenses	34,483	43,328	8,845		Total Marina Expenses	34,483	36,976	2,493	
<b>Marina Net Income</b>	<b>\$ 36,940</b>	<b>\$ 23,281</b>	<b>\$ 13,659</b>	59%	<b>Marina Net Income</b>	<b>\$ 36,940</b>	<b>\$ 31,218</b>	<b>\$ 5,722</b>	18%
<b>Reserve Activity</b>					<b>Reserve Activity</b>				
Routine Reserve Revenue	93,342	93,342	-	0%	Routine Reserve Revenue	93,342	91,356	1,986	2%
Bad Debts, Recoveries, Misc.	354	(564)	918	0%	Bad Debts, Recoveries, Misc.	354	(1,990)	2,344	N/A
Reserve Interest - all	1,548	24	1,524	0%	Reserve Interest - all	1,548	424	1,124	265%
<b>Net Reserve Income</b>	<b>\$ 95,244</b>	<b>\$ 92,802</b>	<b>\$ 2,442</b>	3%	<b>Net Reserve Income</b>	<b>\$ 95,244</b>	<b>\$ 89,790</b>	<b>\$ 5,454</b>	6%
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 260,751</b>	<b>\$ 204,836</b>	<b>\$ 55,913</b>	27%	<b>Cmbnd Net Income/(Loss)(3)</b>	<b>\$ 260,750</b>	<b>\$ 214,366</b>	<b>\$ 44,396</b>	22%

**Manager's Report:** Sharon Mitchel

Jefferson County has contacted us about the hazards of power washing/scraping boats and grey water discharge at the marina. The Harbormaster, Marina Chair, Board Liaison and I will be meeting with the County's Water Quality Manager and a representative from the Department of Ecology. More to come I'm sure!

Preparation of a 2019 budget proposal is underway.

We are in the process of updating the reserve study. A few minor changes have been proposed to the Trustees and if approved will be sent to RCL to formally update our study.

Because of the smoky air, maintenance staff worked inside one day and another bad day took the day off. Our monthly safety training focused on dealing with wildfire smoke.

Projects being worked on by the Office Administrator, Terri Brown:

- Invoiced final 2018 lot mow
- Registered 8 new members and property sales
- Sent out annual backflow testing letters

Projects being worked on by the Maintenance Staff, Donnie Weathersby and Aimee Garrett:

- Began cutting back overgrown shrubbery on road edges
- Repaired benches on the ravine and Marine View Place
- Exercised all the water valves
- Repaired rotted wood on the office front porch and painted the porch and door
- Put up and took down tents for Salmon BBQ

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

- Barking dogs in the Colony
- Brown water in the Colony
- Vacant lot grasses that need to be mowed
- Dogs off leash in the Village
- Fabric storage tent in the Village

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

**Information Items:**

- A. A member hedge complaint was discussed
- B. Proposed changes to CP08 and a new CP08a were discussed and deferred until October
- C. The Committee looking into Wainright Firehall issues presented their findings that the addition to the building was built by the Fire Department. Any potential re-purposing of the building would need to consider septic and zoning issues. The Committee will continue its work on this project.
- D. The Trustees discussed the CAU Insurance Loss Control Specialist's recommendation that we require liquor banquet permits and event insurance. No action was taken.
- E. The Trustees discussed a minor truck accident and directed the manager to replace the truck's broken tail light.

**Member participation:** Marty Bluewater expressed his willingness and commitment in taking on the role of Marina Committee Chairman. He assured the Board he will make himself available to fulfil the position.

**New Business Action Items:**

**Motion 1:** Carol Wood moved and Ray Pierson seconded to rescind the excess water fee charge and refund the member's \$97.50 payment because of extenuating circumstances. Passed - 5/0

**Motion 2:** Ross Anderson moved and Carol Wood seconded to refund a pro-rated portion of a member's marina moorage fee of \$697.50 because he was not able to obtain a suitable boat in the required time period. Passed – 5/0

**Motion 3:** Ross Anderson moved and Ray Pierson seconded to accept Craig Muma's resignation as Marina Committee Chair, and accept the Marina Committee's recommendation to approve Marty Bluewater as Interim Marina Chair, with the appointment is to be reviewed at the December Board Meeting. Passed -5/0

**Motion 4:** Ross Anderson moved and George Martin seconded to approve the proposed Marina fee increase of .75 per foot for moorage and \$5.00 increase in the amenities fee for rampage, as listed on the proposed 2019 fee schedule. Passed – 5/0

**Motion 5:** Ray Pierson moved and Karen Krug seconded to approve the annual road repair contract for \$7,450 plus tax. Passed – 5/0



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**Motion 6:** Ray Pierson moved and George Martin seconded to approve the purchase, not to exceed \$600.00, from Highway Specialties and installation of a portable rubber speed hump for Marina Drive. Passed – 5/0

**Motion 7:** Karen Krug moved and Ray Pierson seconded to approve the changes to Water Conservation Pricing Program, formerly Rule CP08a now renumbered as CP08b, as detailed in a memo from the Treasurer dated September 8, 2018 which was discussed during the September 11, 2018 Study Session. Passed-5/0

**Motion 8:** Karen Krug moved and Ross Anderson seconded to approve the Building Committee's recommendation for changes to the Building and Property Regulations as detailed in the Board of Trustees packet dated September 13, 2018 to be included on the November ballot to the Membership. Passed – 5/0

**Motion 9:** Karen Krug moved and George Martin seconded to eliminate Form BG03 as that information, as mentioned at the September 11, 2018 Study Session, will be included in the Water System rules. Passed –5/0

**Motion 10:** Karen moved and Ray Pierson seconded to approve for inclusion in the 2019 budget, the general assessment, reserve assessment, water fees, marina fees and all other fees and charges as detailed in September memos from the Treasurer, the Marina Committee and the Manager and as summarized in the Assessment and Fee schedule included in the September 13, 2018 board packet. Passed – 5/0

**Motion 11:** George Martin moved and Karen Krug seconded to approve the proposed 2019 Fine Schedule MIS05 as presented at the September 11, 2018 Study Session. Passed – 5/0

**Motion 12:** Ross Anderson moved and George Martin seconded to approve reserve study updates as detailed at the September 11, 2018 Study Session. Passed – 5/0

**Motion 13:** Karen Krug moved and Carol Wood seconded to approve the August 17, 2018 financial audit Engagement Letter from Newman and Associates, CPA, PC which was included in the September 11, 2018 Study Session packet and reviewed at that meeting. Passed- 5/0

**Motion 14:** Carol Wood moved and George Martin seconded to approve a sum not to exceed \$3200.00 for materials and with the assistance of volunteer labor, the replacement of 2 damaged sidewalk sections and replace the sidewalk to the fitness room that had been removed in 2016 for septic repairs. Passed – 5/0

**Motion 15:** George Martin moved and Ross Anderson seconded to approve the list of Committee Chairs and Committee Members as detailed in the September 11, 2018 Study Session as required , with the addition of Steve Wright to the Water Committee, who was inadvertently left off. Passed – 5/0

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**Open Board Discussion:**

Ray Pierson inquired about using the DR walk behind string trimmer by the Tuesday marina work party. This piece of equipment was donated by a former member and is not getting much use so far. It was affirmed since the trimmer is insured, the Marina Committee members could use the equipment but it would continue to be stored at the Cape George garage. It is not available for private homeowner use.

Ray Pierson suggested we are ready to liquidate some other unused pieces of grounds keeping equipment stored in the barn. Brian Ritchie has volunteered to help list and sell a bar sickle, stump grinder and chipper on Craig's List. Ray will assist with the equipment specs.

**Announcements:**

- Study Session – October 9, 2018 3:00 P.M.
- Board Meeting – October 11, 2018 3:30 P.M.
- Board Training – October 11, 2018 following Board Meeting

**Adjournment:**

A motion was made by Carol Wood and seconded by Karen Krug to adjourn to Executive Session. 4:25 pm. Passed- 5/0

A motion was made by Carol Wood and seconded by Ray Pierson to adjourn the Executive Session and return to regular session. 5:05 pm. Passed -5/0

A motion was made by Ray Pierson and seconded by Karen Krug to accept the resignation of manager, Sharon Mitchel, effective 12/31/2018. Passed- 5/0

A motion was made by Karen Krug and seconded by Ross Anderson to retain Steve Wright as the Water System Manager as an independent contractor. Passed- 5/0

A motion was made by Ray Pierson and seconded by Carol Wood to increase staff salaries for the 2019 calendar year by 3%. Passed -5/0

A motion was made by Carol Wood and seconded by Karen Krug to adjourn the regular session. 5:10 pm. Passed- 5/0

**Submitted by:**

**Approved by:**

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**Ray Pierson, Vice President**

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**Katie Habegger, President**

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**Committee reports:**

**CG Marina Committee Minutes Sept 4, 2018**

Harbormaster Ben Fellows called the meeting to order at 11:01 am. Sixteen members were present. (A list of attendees follows.)

Craig Muma reported that he will resign from the chair this week. He explained he has served three years and expects to be away much of the year to come.

Craig nominated Marty Bluewater for the chair. The motion was seconded by Sam Melton. There were no further nominations. The committee voted 13-0 to elect Marty.

Ben Fellows reported that he has been investigating the possibility of replacing the existing docks at some future point, possibly with aluminum. The amount of copper and other preservatives in treated wood has been reduced, so wood docks are not likely to hold up as well. He said he and others plan to visit Friday Harbor later this month to examine their aluminum docks. He also suggested that the marina purchase one 16 foot length of aluminum dock to be installed as an experiment.

Ben discussed the 2019 marina budget. In particular, he asked whether the committee wants to keep in place a two-year-old "amenity fee," which is intended to cover some of the costs of electricity, water and propane around the marina.

Craig moved that the amenity fee be extended at \$25 per year per moorage slip. Mack McDonald proposed an amendment to increase the amenity fee for other users, including kayaks, small boats, and use of the boat ramp, setting the fee at \$10 per year. Tom Cawrse seconded the amended motion. It was approved by 12-1.

Ben asked whether the committee wants to raise moorage fees. He proposed an increase of 2 ½ percent – or about 75 cents per lineal foot. That increase was approved.

Ben reported that electrical usage has been high, even though the system was shut down while the wiring was replaced. Mac McDonald proposed that lighting on the south parking lot be eliminated, since it hasn't been working anyway.

Ben reported that a plastic box has been installed next to the shop door. The box contains an emergency boat pump and spill response equipment.

Craig reported the annual Waterfront Festival was a success. Expenses amounted to \$1882, offset partially by income from T-shirt sales, for a final tally of \$1372.

The meeting was adjourned at 12:01 pm.

Attendees:

Craig Muma, chair



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Ben Fellows, harbormaster  
Ross Anderson, board liaison  
Tom Cawrse  
Gary Rossow  
Marty Bluewater  
Thad Bickling  
Carl Schwersinske  
Sam Melton  
Bill Dunning  
Nick Muzik  
Bill Hamilton  
Sharon Mitchel, manager  
Brian Ritchie  
Mike Lapointe  
Mac McDonald

**CAPE GEORGE ROADS COMMITTEE**  
**MEETING REPORT, SEPTEMBER 10, 2018**

The meeting was held at 10:30 am at the Office. The following attended: Sharon Mitchel, Manager; Ray Pierson, Board Liaison; Larry Southwick, Chair; Robert Holtz and Scott James, members.

1. We received a bid from Lakeside Industries, Port Angeles, for the annual pavement repairs. We requested bid prices for additional items this year including a speed bump at the bottom of Marina Drive, paving the north end of the Clubhouse parking lot and paving the parking lot at the Ed Skowyr Memorial Water Facilities on Johnson Ave in the Highlands. The base bid for 7 locations of pavement repair is \$7,450 (plus tax) and the bid for the asphalt speed bump on Marina Drive is \$1,250 (plus tax). We have a line item budget of \$9,000. The bid for the Clubhouse parking lot is \$15,450 and the bid for the water parking lot is \$14, 450, both far outside of our available budget funds. The Committee recommends that the Board approve and authorize the base bid only for \$7,450 plus tax and to address the other concerns in other ways or in the future (see below).
2. We also requested bids from Rainbow Sweeping in Port Angeles for crack sealing a number of locations but have not yet had a response so we don't have a bid to recommend. We'd still like to get a price estimate for potential bidding in the future and/or for budget purposes. Perhaps next year we could do crack sealing instead of pavement repairs, depending on funds and pavement repair needs.
3. We discussed other options for the speed bump at the bottom of Marina Drive instead of the permanent asphalt option in the Lakeside bid. Sharon has gotten prices from Highway Specialties in Port Hadlock/Chimacum for solid rubber speed bumps plus two signs that notify drivers of the speed bumps for a cost of around \$550. They would have to be installed with our own crews. They are held in place with large spikes and could be removed if we change our minds, or could be relocated to other places in the community. The Committee recommends proceeding with purchase and installation of the solid rubber speed bumps.

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4. With regard to paving the parking lots, the Committee recommends that we budget the same \$9,000 for pavement repair in 2019 but keep the option open to carry forward that amount into 2020 which, together with a similar amount would fund paving the Clubhouse parking lot in 2020. That leaves the option open for other paving repairs in 2019 if needed and further postponing the parking lot.

Another concern to be addressed for the Clubhouse parking lot is the need for a Shorelines/County permit because it's within the shoreline area. We have not done that yet.

The parking lot at the water facilities could/should be paid for with water funds, which also don't have much in operating funds so we need to keep that in mind for future budget considerations.

5. We also talked about the turn-around at the end of Huckleberry where the mailboxes have been relocated and some cars driving off the pavement. Rather than trying to solve that with paving at this time, we could put additional crushed rock in those areas and see how it goes in the future. It was designed and is currently a T turn-around (turn in, back up and turn again to drive away). To construct a full circular turn-around would be another significant project (and cost) and perhaps require additional right-of-way in the form of easements.

**CAPE GEORGE WATER ADVISORY COMMITTEE**

**MEETING REPORT, SEPTEMBER 4, 2018**

The meeting was held at 5:00 pm at the Office. The following attended: Sharon Mitchel, Manager; Karen Krug, Board Liaison; Greg Rae, Water Manager; Larry Southwick, Acting Committee Chair; and members Scott James, Stewart Pugh and Thad Bickling. Also attending was Steve Wright, intending to become the new Water Manager (see below)

6. Larry is Acting Committee Chair until someone else is decided/appointed to replace him.

Similarly, Greg's supervisor is now gone so Greg has assumed more duties and responsibilities at Port Ludlow so we need to complete the transition to a new water manager, planned to be Steve Wright. We discussed some of the things that need to be done by Steve, the Manager and Board to move that transition forward.

Greg and Steve will schedule a time/day to walk through the operations at the water facilities. Greg said he could still be available for operational issues if needed in the future. Greg will also transfer some of his records to Steve and help him with the annual reports to DOH.

7. We discussed the draft amendments/changes to the Water Rules regarding the water service application form including that it becomes a contract when signed, contracts have to be approved by the Board and what the Manager can sign without the Board's action. The Manager can't commit Cape George to a contract without the approval of

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the Board but the Board could make the changes as a rule where the owner (and Cape George) would be bound by this contract upon the signature of the owner only, not requiring the Manager's signature. The objective of the suggested changes is to simplify the process/form to include all of the "rule" into the application that the owner receives to sign. Sharon and Karen will work out the final language for the Board Study Session next week.

8. We discussed the excessive water use of "the orchard" for the July meter reading cycle as being 5,000 gpd through two meters. The owner was notified and subsequently took action to check for leaks and/or reduce usage.
9. That led to Karen suggesting that we update our annual end-of-year conservation rate structure to increase the usage blocks and rates to:
  - 0 – 250 average gpd at no additional charge (included in the quarterly member payments)
  - 251 – 400 average gpd at \$2.50 per 1000 gallons (new block, see below)
  - 401 – 500 average gpd at \$3.50 per 1000 gallons
  - Over 500 average gpd at \$5.00 per 1000 gallons
  - (average is total gallons used for the year divided by 365)

Current block/rates are:

- 0 – 250 at no additional charge
- 251 – 500 at \$2.50
- Over 500 at \$3.50

The Committee agreed that we need a rate structure that sends a strong water conservation message to excessive water users, not just to raise revenue. Karen will send a draft out for review. (done on Wednesday)

10. We again discussed adding variable frequency drives (VFD) to the Highlands pump station. Stew talked to DD Electric about the proposed changes and they wanted the VFDs mounted on the wall which would add a lot of extra wiring/cables. Stew wants to install the 2 VFD in the existing electrical cabinet but would need to add a cooling fan to counteract the increased heat from the units. The proposal is to add a VFD to each of the larger pumps and leave the smaller pump in manual mode for emergency backup. We would need to make any changes in the winter when usage is low so the small pump can meet the demand while the larger pumps are being modified.

We discussed whether this would be an operating budget or reserve line item for 2019. Stew will have some expenses this year to get it set up and programmed so that the installation could take place in January. (get on DD Electric's schedule)

11. Greg suggested that we add wall board in the filter room over the existing exposed insulation as an item for the scheduled reserve funds for building improvements. He also suggested we plan in the future to raise the roof or replace the filter building because there is very little space above the tops of the filter tanks.
12. Stew said the monthly leak reports were normal but that he's now seeing some instances where the on-site water filter has a continuous flow to drain that is showing up on meter reading as a leak.

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13. Larry reported a slug of dirty water this afternoon. Greg suggested that Donnie take a water sample and send it to the lab to check for manganese levels which could be causing some of the 'dirty' water but could also indicate possible filter issues.
14. We discussed the annual backflow assembly testing process. Terri is ready to send out the letters to owners and Larry will provide the updated list of approved Backflow Assembly Testers (BAT) that goes on the back of the letter. Scott asked how we track new additions of irrigation systems or other modifications to new or existing homes. We need to close that gap with a process to keep the list of all backflow assemblies current for annual testing. Greg suggested that we send out the original survey form that we mailed out at the beginning to over 500 owners but to a block of 100-120 per year on a 5 year rotating cycle so we would have a process to update one fifth of the owners every year. It was an onerous process to do all 500+ at once.

The next meeting will be on **October 2, 2018 at 5 pm at the Office.**

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**President Katie Habegger called the meeting to order at 3:30 p.m.**

Welcome

**In Attendance:** Katie Habegger, Joel Janetski, Ray Pierson, Karen Krug, George Martin and Ross Anderson.

**Action on Minutes:** Joel Janetski moved and Ray Pierson seconded to approve the minutes of the Regular Board Meeting dated September 13, 2018. Passed – 5/0

Joel Janetski moved and George Martin seconded to approve the minutes of the Special Board Meeting dated September 27, 2018. Passed -5/0

**Membership Report:** Joel Janetski

Jeffrey Jackman & Shelly Strom purchased lot 57-4 Alder from the Dorothy Major Estate

**Treasurer's Report:** Karen Krug

As of September 30, 2018

A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website. The detailed statements as well as additional monthly financial material and are also available for review in the office as are the quarterly internal control reports.

The focus this month is on the 2019 budget. The Executive Summary and Exhibits for the 2019 budget are included in the October Board packet. The September financial results are summarized on the next page; there is nothing in those results that would change the projections included in the budget for End of Year (EOY) 2018 as shown in the Exhibits A of the budget.

All September 2018 bank statements have been reconciled and reviewed with no exceptions. All accounts are within FDIC/NUCA limits.

CAPE GEORGE COLONY CLUB					
<i>Balance Sheet as of September 30, 2018 and 2017</i>					
Assets	2018	2017	Liabilities and Fund Balances	2018	2017
Cash and Cash Equivalents:			Current Liabilities:		
Operations Checking	\$ 176,723	\$ 123,466	Accounts Payable & Other Liabilities	\$ 14,779	\$ 10,628
Operating Investment-Savings	82,196	98,356	Unearned Income General/Water/Etc.	52,100	53,430
Petty Cash (2 accounts)	600	600	Unearned Income Reserve Assment	12,850	13,328
Reserves - General, Water & Marina	785,607	698,244	Unearned Income Marina Wait List	1,650	1,300
Routine Reserve Assessment	106,451	104,547	Total Current Liabilities	81,379	78,686
Total Cash & Equivalents	1,151,577	1,025,213			
Net Accounts Receivable	344	3,752	FUND BALANCES:		
Total Net Fixed Assets	1,888,822	1,851,604	Fund Balances (Combined)	2,761,054	2,655,554
Total Prepaid & Other Assets	30,097	26,892	Modified Cash Basis Income	228,407	172,220
<b>TOTAL ASSETS</b>	<b>\$3,070,840</b>	<b>\$2,907,461</b>	<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$3,070,840</b>	<b>\$ 2,906,461</b>

Minutes

**CAPE GEORGE COLONY CLUB**  
**BOARD OF TRUSTEES MEETING MINUTES**  
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**Summary Revenue and Expense Statements for the periods ended September 30, 2018 and 2017 (Modified Cash Basis)**

2018 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2018 YTD	2017 YTD	Variance	%
<b>General</b>					<b>General</b>				
General Assessment	\$ 222,432	\$ 222,432	-	0%	General Assessment	\$ 222,432	\$ 214,806	\$ 7,626	4%
Revenue - All Other Sources	27,902	20,363	7,539	>100%	Revenue - All Other Sources	27,902	31,331	(3,429)	>100%
Total General Revenue	250,334	242,795	7,539		Total General Revenue	250,334	246,137	4,197	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	106,952	112,783	5,831	5%	Salaries, Benefits, PR Tax	106,952	102,216	(4,736)	-5%
Repairs & Maintenance	7,721	15,294	7,573	50%	Repairs & Maintenance	7,721	11,693	3,972	34%
Contracted Services	31,745	33,259	1,514	5%	Contracted Services	31,745	36,310	4,565	13%
Insurance	14,895	14,767	(128)	-1%	Insurance	14,895	14,254	(641)	-4%
Pool Expense, pool utilities	23,082	27,750	4,668	17%	Pool Expense, pool utilities	23,082	27,410	4,328	16%
Utilities	7,445	7,356	(89)	-1%	Utilities	7,445	8,206	761	9%
Other Expenses (incl taxes)	12,071	12,802	731	6%	Other Expenses (incl taxes)	12,071	30,291	18,220	60%
Total General Expenses	203,911	224,011	14,790		Total General Expenses	203,911	230,380	3,160	
<b>General Net Income</b>	<b>\$ 46,423</b>	<b>\$ 18,784</b>	<b>\$ 27,639</b>	<b>147%</b>	<b>General Net Income</b>	<b>\$ 46,423</b>	<b>\$ 15,757</b>	<b>\$ 30,666</b>	<b>195%</b>
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 141,375	\$ 140,940	\$ 435	0%	Revenue - Water Use Fees	\$ 141,375	\$ 139,980	\$ 1,395	1%
Revenue - All Other Sources	8,268	1,500	6,768	451%	Revenue - All Other Sources	8,268	5,544	2,724	49%
Total Water Revenue	149,643	142,440	7,203		Total Water Revenue	149,643	145,524	4,119	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	47,511	50,002	2,491	5%	Salaries, Benefits, PR Tax	47,511	46,206	(1,305)	-3%
Repairs & Maintenance	1,850	8,497	6,647	78%	Repairs & Maintenance	1,850	12,885	11,035	86%
Contracted Services	13,418	16,402	2,984	18%	Contracted Services	13,418	13,682	264	2%
Insurance	7,498	7,434	(64)	-1%	Insurance	7,498	7,257	(241)	-3%
Utilities	9,708	9,338	(370)	-4%	Utilities	9,708	9,108	(600)	-7%
Other Expenses (incl taxes)	17,028	20,388	3,360	16%	Other Expenses (incl taxes)	17,028	18,294	1,266	7%
Total Water Expenses	97,013	112,061	15,048		Total Water Expenses	97,013	107,432	10,419	
<b>Water Net Income</b>	<b>\$ 52,630</b>	<b>\$ 30,379</b>	<b>\$ 22,251</b>	<b>73%</b>	<b>Water Net Income</b>	<b>\$ 52,630</b>	<b>\$ 38,092</b>	<b>\$ 14,538</b>	<b>38%</b>
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 56,918	\$ 56,094	\$ 824	1%	Revenue - Moorage/Parking	\$ 56,918	\$ 54,294	\$ 2,624	5%
Revenue - All Other Sources	14,214	10,577	\$ 3,637	34%	Revenue - All Other Sources	14,214	14,175	39	0%
Total Marina Revenue	71,132	66,671	4,461		Total Marina Revenue	71,132	68,469	2,663	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	11,529	12,124	595	5%	Salaries, Benefits, PR Tax	11,529	10,931	(598)	-5%
Repairs & Maintenance	12,352	17,816	5,464	31%	Repairs & Maintenance	12,352	13,188	836	6%
Contracted Services	1,641	4,079	2,438	60%	Contracted Services	1,641	3,092	1,451	47%
Insurance	5,288	4,799	(489)	-10%	Insurance	5,288	5,063	(225)	-4%
Utilities	4,196	4,875	679	14%	Utilities	4,196	5,048	852	17%
Other Expenses (incl taxes)	2,234	3,037	803	26%	Other Expenses (incl taxes)	2,234	2,639	405	15%
Total Marina Expenses	37,240	46,730	9,490		Total Marina Expenses	37,240	39,961	2,721	
<b>Marina Net Income</b>	<b>\$ 33,892</b>	<b>\$ 19,941</b>	<b>\$ 13,951</b>	<b>70%</b>	<b>Marina Net Income</b>	<b>\$ 33,892</b>	<b>\$ 28,508</b>	<b>\$ 5,384</b>	<b>19%</b>
<b>Reserve Activity</b>					<b>Reserve Activity</b>				
Routine Reserve Revenue	93,342	93,342	-	0%	Routine Reserve Revenue	93,342	91,356	1,986	2%
Bad Debts, Recoveries, Misc	354	(564)	918	0%	Bad Debts, Recoveries, Misc	354	(1,990)	2,344	N/A
Reserve Interest - all	1,765	29	1,736	0%	Reserve Interest - all	1,765	499	1,266	254%
<b>Net Reserve Income</b>	<b>\$ 95,461</b>	<b>\$ 92,807</b>	<b>\$ 2,654</b>	<b>3%</b>	<b>Net Reserve Income</b>	<b>\$ 95,461</b>	<b>\$ 89,865</b>	<b>\$ 5,596</b>	<b>6%</b>
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 228,407</b>	<b>\$ 161,910</b>	<b>\$ 66,495</b>	<b>41%</b>	<b>Cmbnd Net Income/(Loss)(3)</b>	<b>\$ 228,406</b>	<b>\$ 172,220</b>	<b>\$ 54,186</b>	<b>33%</b>



**CAPE GEORGE COLONY CLUB**  
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**Manager's Report:** Sharon Mitchel

Marina Representatives and I met with the County Water Quality Manager and a Department of Ecology representative to discuss WA marina pollution issues. The meeting was cordial and they provided good guidance on protecting our waters. The issues mentioned were cleaning and scraping boats that have copper bottom paint. The other big issue was using soap to clean crab cooking pots. As a result of the meeting, our Harbormaster is creating new signage for the Marina area.

Winter is around the corner. We recently began scraping away plant material growing over our road edges to improve road drainage. We are also cleaning out the barn so we can easily get to the snow plow when it is needed. A lot of miscellaneous "stuff" has been put in the barn over the summer!

Our new rubber speed hump on Marina Drive successfully slows down drivers. I've received both positive comments and some concerns.

I'd like to remind members that the park area outside the clubhouse cannot be reserved, even if you've reserved the clubhouse.

Projects being worked on by the Office Administrator, Terri Brown:

- Processing 4th quarter payments
- Tracking annual backflow test results

Projects being worked on by the Maintenance Staff, Donnie Weathersby and Aimee Garrett:

- Final ditch clearing in the wetter ditches where grasses are still growing
- Brush clearing along roads in the Highlands
- Installed speed hump on Marina Drive
- Repair water system manganese filtration system

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

- Barking dogs in the Colony
- House exterior in Colony not complete within 6 months
- Grasses not mowed on 2 vacant lots

**Committee Reports:** The following committee reports were submitted to the Board of Trustees: Environmental, Pool, Water and Workshop. Also included are the Social Club's Bi-Annual Meeting Minutes. The reports are attached to these minutes and incorporated by reference.

**Information Items:** None included



**CAPE GEORGE COLONY CLUB**  
**BOARD OF TRUSTEES MEETING MINUTES**  
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**Member participation:** Ben Fellows was asking if the Board would approve a non-family member to have a marina key, and it was pointed out that non-family members are not entitled to such access.

**New Business Action Items:**

**Motion 1:** Ross Anderson moved and Ray Pierson seconded to approve marina rule variance request for a boat with a 14' 2" beam. Passed - 5/0

**Motion 2:** Ray Pierson moved and Joel Janetski seconded to approve the request to appoint Richard Hilfer to the Building Committee. Passed – 5/0

**Motion 3:** Karen Krug moved and Ross Anderson seconded to adopt the 2018 General, Water and Marina Reserve Study updates prepared by RCL with the issue date of October 2018 and outlined in a Treasurer's memo dated October 8, 2018. Passed-5/0

**Motion 4:** Karen Krug moved and George Martin seconded to approve the \$400 clubhouse rental deposit refund as detailed in the Office Administrator's memo of October 2, 2018. Passed-5/0

**Motion 5:** Ray Pierson moved and Karen Krug seconded to invite Safeway Pharmacy to provide flu shots at the clubhouse October 23, 2018. Passed-5/0

**Motion 6:** Karen Krug moved and Ray Pierson seconded, based on the existing Building Guidelines, information provided at the September and October 2018 study sessions, the information included with the Manager's communication to the Homeowners of July 16, 2018 and August 24, 2018 and the information the Homeowners provided with their Appeal dated October 2, 2018, that the Appeal be denied and the Manager's finding of hedge violation be upheld. Passed – 3/2

**Motion 7:** Karen Krug moved and Joel Janetski seconded to approve the 2019 Operating Budget as detailed in the Executive Summary, Exhibits A-D and the 2019 Fee Schedule and send it to the Members for their ratification. Passed-5/0

**Motion 8:** Karen Krug moved and Ray Pierson seconded that the Board recommend to the Members that the Members approve all six 2019 Reserve Project expenditures as detailed in Exhibit E. Passed – 5/0

**Motion 9:** George Martin moved and Ray Pierson seconded to approve 2019 Ballot Exhibit F, proposed amendments to the Building and Property Regulations. Passed – 5/0

**Motion 10:** The motion to approve 2019 Ballot Measures G and H was withdrawn. A brief emergency Board meeting will be held in the near future to approve the exhibits when the supporting documents have been finalized.

**Motion 11:** Karen Krug moved and George Martin seconded for the board to ratify and send the Members the 2019 version of the Reserve Disclosure Summaries as required by the Washington RCW. Passed – 5/0

**Motion 12:** Ross Anderson moved and Ray seconded to approve four (4) due date adjustments for three (3) members. Passed – 5/0

**CAPE GEORGE COLONY CLUB**  
**BOARD OF TRUSTEES MEETING MINUTES**  
**October 11, 2018**  
**3:30 PM**

**Open Board Discussion:**

Joel Janetski commented on the Environmental Committee Meeting minutes submitted, in regard to the whale watching boats rule violators. Joel reported an incident he witnessed to the Governor's Southern Resident Killer Whale Task Force. This website has been collecting data to come up with recommendations for Washington State to safeguard the whale population. Joel recommends we publish this information in addition to the article found in our October newsletter. Joel also recommends that anyone observing such an incident should report it to the Governor's Southern Resident Killer Whale Task Force.

**Announcements:**

- Variance Hearing - November 13, 2018 2:45: P.M.
- Study Session – November 13, 2018 3:00 P.M.
- Board Meeting – November 15, 2018 3:30 P.M.

**Adjournment:** Ray Pierson moved and Joel Janetski seconded to adjourn the Regular Board Meeting at 4:05 pm.  
Passed –5/0

**Submitted by:**

**Approved by:**

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Joel Janetski, Secretary

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Katie Habegger, President

**Committee reports:**

**ENVIRONMENTAL COMMITTEE MINUTES-CAPE GEORGE CLUBHOUSE**

**Monday, September 10, 2018, 9:15 am**

**IN ATTENDANCE:** Varn Brooks, Patty Dunmire, Pat Gulick, Joan Soderland Hommel, Sharon Mitchel, Ruth Ross, Kitty Rucker, Robin Scherting, Fayla Schwartz

**I. CALL TO ORDER:** The meeting was called to order by Kitty at 9:15.

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**II. APPROVAL OF MINUTES:** Robin moved and Varn seconded the motion that the Sept minutes be approved as revised. The revised minutes were approved unanimously.

**III. FISCAL REPORT:** The current balance is \$2,504.08 as of Sept 1, 2018. This total reflects \$20 in book sales and \$83.93 expenditure for food (brats) for the October dinner. *(These are not funds that belong to Cape George Colony Club Inc.)*

**IV. OLD BUSINESS:**

**1. Live Aboard Boats:** Sharon reported that no live aboard policy has been approved.

**2. Halloween Dinner, October 27, 2018:** Brats were purchased and are in the clubhouse freezer. Charge will be \$5/person as a committee fundraiser. We will also be selling books and pictures. There will be a costume contest.

**3. Monthly Films.**

Darrell and Lorna Smith will do a film in October or November and will let Kitty know date and title.

**V. NEW BUSINESS:**

**1. Whale boats:** When whales were last sighted in Discovery Bay, some of the whale boats were getting in front of and too close to the whales. Ruth moved and Varn seconded the motion that we do a newsletter article discussing the regulations concerning distance for boats from whales and providing the agency contact information (Varn will supply) for people if they see this happen again.

**2. Removal of tree:** A tree on the bluff recently removed for home construction was found to be severely diseased through the center and would have posed a risk of falling and damaging a nearby home even though it looked healthy.

**3. Walking sticks.** Sue Dunning collected sticks from the beach to be used by walkers. She had an umbrella holder for them and gave Kitty a piece of cement on which to write that they were to be borrowed and then returned to the container for others to use. Kitty reported that the umbrella holder is not in the gazebo. The committee will discuss where the sticks should be placed and how to attach the cement sign.

**4. Hedge complaint on trees in Jo and Dan Nieuwsma's yard.** We hope the Board will allow them to prune the trees rather than taking one down. The committee is concerned this is an attempt to set a view rule. The original rules were meant to protect trees in the community.

**5. Cape George University:** Tuesday Sept. 18, 7 pm Fayla will present a program at the clubhouse on native plants.

**VI. ADJOURNMENT:** The meeting was adjourned at 9:55 am.

Respectfully submitted by Ruth Ross

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING MINUTES  
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**CAPE GEORGE POOL COMMITTEE MEETING NOTES -CG Clubhouse**

**September 26, 2018**

ATTENDEES:

Rocky D'Acquisto. – Chair  
Norma Lupkes – Sec.  
Mary Hilfer  
Robin Scherting

NOTES:

The current Pool Committee Treasury amount is \$6,381. *(These funds are not a part of Cape George Colony Club Homeowner's Association).*

A report was called in by Sharon Mitchel as CG Manager on the upcoming pool closure scheduled for 11/26/18 thru 12/18/18 to do the crucial repairs in the shower stalls in both dressing rooms. They are in poor shape with the possibility of mold growing behind the shower walls and aged hardware needing replacement. Research into finding existing shower units that will fit in the current spaces has been unsuccessful and tile will be used for the units. A Cape George member has generously donated the necessary tile and a contractor has been hired to do the labor.

The St Patrick's Day dinner hosted by the Pool Committee and the Emergency Preparation Committee will be held on Sat. March 16. Mary Hilfer contacted Thad of the Emergency Prep Committee to ensure their participation in the event and the discussion was held on alternating years for the funds to return to the two committees.

Next Pool Committee meeting scheduled to November 14 - 3:00 at the clubhouse.

Respectfully submitted, Norma J. Lupkes

**CAPE GEORGE WATER ADVISORY COMMITTEE MEETING REPORT, OCTOBER 2, 2018**

The meeting was held at 5:00 pm at the Office. The following attended: Sharon Mitchel, Manager; Karen Krug, Board Liaison; Greg Rae, Water Manager; Larry Southwick, Acting Committee Chair; and members Scott James, Stewart Pugh and Thad Bickling. Also attending was Steve Wright, intending to become the new Water Manager (see below)

1. Larry is Acting Committee Chair until someone else is decided/appointed to replace him. The October newsletter included an article requesting interested/qualified members to step forward. Larry will provide a thumb drive with all of his computer files to the office for 'institutional memory' of the last 10 years.

CAPE GEORGE COLONY CLUB  
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Greg and Steve still need to schedule a time/day to walk through the operations at the water facilities. Greg said he could still be available for operational issues if needed in the future. Greg will also transfer some of his records to Steve and help him with the annual reports to DOH. Those need to be added to the CG Master Calendar. Steve will need to get the ability to process MS Office computer files – esp. Word and Excel. He will be testing in January for DOH certification. Tentatively, Steve will attend the Nov. 13 Board Study Session and start work on Nov. 15.

2. The change in the Water Rules was presented to the Board Study Session in September but postponed action until October. That may be postponed to November due to other workload, primarily the budget which includes the Water Fund and Water Reserves. The Board did approve the proposed changes/increases in the annual water surcharge for excessive water use.
3. We again discussed adding variable frequency drives (VFD) to the Highlands pump station. Sharon got a verbal estimate of \$7-8,000 from DD Electrical for the complete replacement/installation. Stew will still do the programming. Stew still has some disagreement with DD about the details but that gives us a budget number to include a 2019 reserve funded project which needs to be written up right now to be included in the member ballot for the 2019 budget. Stew needs to review the project with Steve in more detail. We need to get on DD's schedule for January/February completion.
4. The Cross Connection Control Program letters have gone out to members with backflow valve assemblies for annual testing. Tests have to be conducted by certified contractors at the owners' expense and results back to the Office by October 19. If they are not received, a second reminder letter will be sent out with a new due date and a third final notice if that date is not met. Water service can be turned off if they don't comply. We discussed the need to send out a questionnaire to all members on a 5 year rotating schedule (approx. 1/5<sup>th</sup> each year), perhaps starting with all new members since the last questionnaire was completed in 2014. Greg suggested doing it on a location basis to make the inspections easier to handle.
5. We've had a number of 'dirty water' complaints due to elevated manganese levels. Greg and Donnie worked on improving the injection of potassium permanganate to the treatment system and that seems to have solved the problem. Donnie should take weekly tests of manganese levels and send a sample to the labs on a monthly basis to verify it. Greg will go over operation of the treatment system with Steve.
6. Stew said the last monthly leak report included 13 leaks and 73 users below 30 gallons per day. Greg discussed a potential leak on Sequim Place that he checked out on site – appears to not be a water leak of our system.

The next meeting will be on **November 6, 2018 at 5 pm at the Office.**

**Workshop Committee meeting minutes 9/12/2018 in the workshop meeting room**

Meeting started at 11AM. In attendance were Mike Lapointe, Sharon Mitchel, Dick Poole, "Mac" MacDonald, Bob Skoien, Ken Owen, Chuck Hummel, George Martin, Jack Scherting, Varn Brooks

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING MINUTES  
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Workshop funds at end of August were \$3715.09. This reflects income and partial expenses from the Salmon BBQ, but not all. ***(These are not funds that belong to Cape George Colony Club Inc.)***

The Salmon BBQ was discussed. A date commitment was desired for next year, but this was not agreed upon. Mac had issues with combining the BBQ with the waterfront festival.

Several people reported concerns with this year's Salmon BBQ: A plastic table from the clubhouse was used to hold hot grills, resulting in damage to the table. Workshop funds must be used to replace the table, significantly reducing the net revenue from the BBQ. Unfortunately the tables are quite expensive when purchased singly.

- Allegedly some folks not from Cape George were attracted to the event by mention on the band's website. Although these people presumably did not get salmon, since controls are in place to prevent that, it was alleged that non-members helped themselves to the potluck sides provided by members. Multiple reports indicate side dishes were running quite low at the end.
- A lack of volunteers in the kitchen placed undue strain on those who attempted to manage the potluck side dishes.
- An inevitable tension arises with the potluck side dishes. Attendees often want to get side dishes on their own schedule, since most have to wait for their salmon to be ready. Those first in line consume the most desirable side dishes if all sides are available, thus later diners are at a disadvantage. But holding back side dishes for later diners displeases those who want to see the side dish they brought out for consumption when they go through the line. Some people come to the event only for the sides, not wanting salmon. Simple human nature leads those who get sides before they get their salmon to put more on their plate than they would if salmon were taking up space, leading to reports of significant food waste – particularly troubling when side dishes end up in short supply. A cumbersome or draconian system for doling out food will not make for a fun event. Nobody wants to play the role of food police, nor is it likely to be effective.

One suggestion was that the paper plates not be available inside by the side dishes, but rather by the salmon, so that people would be more likely to put salmon on their plates first and thus be more likely to not take more side dishes than they can eat.

A return to tickets for salmon was suggested, as well as the possibility of having tickets for sides too. But forcing people to have tickets for sides they themselves brought would certainly be unlike other potluck events at Cape George.

No firm conclusions were made. It is expected that any solution will be a compromise. Details of what is practical for next year still need to be worked out.

A member on Coleman Loop had offered to donate hardwood, presumably for either the shop or the marina sale. Mac already picked up the wood and put it in the barn.

In past years, a workshop email distribution list was maintained for those interested in goings-on in the workshop and on the committee. Attendees of the meeting favored resuming this, and many signed up.

Required/desired supplies and tools were discussed. There is a backlog of items to be purchased/fixed, which will take some time to work through. Also, items for which a need is not clear will be deferred until such clarity occurs. Specific items were discussed:

- Metal band saw, Grizzly brand. In need of repair. Grizzly has a facility in Bellingham. Ken will pursue the repair.
- Jointer, Delta brand. Broken depth of cut gauge/adjustment. Ken provided a part number for purchase of replacement part.

CAPE GEORGE COLONY CLUB  
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- Jump starter, Instant Power brand. Faulty cord, dead battery. Consensus is a replacement may become available; wait to see.
- Cordless drills, Craftsman brand. There used to be many of these laying around the shop, but reportedly some mixing of incompatible batteries and chargers damaged these components. Newer DeWalt drills appear to have rendered them moot. Only a couple of the Craftsman drills remain, and the rest may have been sold at the marina sale. Reportedly it is cost prohibitive to get new batteries and chargers. If research confirms this, the remaining drills will be sold at the marina sale, and the focus will be on maintaining the DeWalts.
- Router table throat plates, Craftsman brand. These throat plates are missing and are no longer sold as parts by Craftsman. George suggested looking on eBay. If that doesn't work they may be able to be fabricated.
- Belt sander, Ryobi 3x18. Nobody knows why we should buy one of these. Perhaps we have one that needs repair.
- Metal grinding wheel. Nobody knows why we need one, as we seem to have enough, or what grit was desired.
- Wire brushes. Size desired was clarified by Ken.
- Band-Aids. While we have adhesive bandages in the first aid kit, George mentioned that it was important to have latex-free bandages due to severe latex allergies of e.g. his family.

Mike Lapointe brought up the possibility of buying items for the workshop while attending yard sales or similar events where bargains might be found, but receipts for the sale would not. If the purchase were to be reimbursed from workshop funds, rather than be a donation, this requires a certain amount of trust from the committee that the money would be spent appropriately and not in a self-serving manner. Ken moved and Mac seconded: The workshop committee chair can spend up to \$250 at his/her discretion on workshop tools at yard sales, etc. without a receipt and be reimbursed from workshop funds. Discussion suggested that consulting at least two other members before exceeding this amount would be appropriate. The motion passed 7-0.

The question was raised of whether there was a need for any signage for the shop, in particular safety signs. Mac suggested signs telling people not to use tools that they don't know how to use safely and signs stating that gas-powered tools – specifically the chain saw, pressure washer, and grass cutting implements – were not to be checked out and must stay at the marina. Coincidentally Varn, who missed this particular discussion, later asked about borrowing the chain saw for an environmental committee project and was told of the policy. Varn will investigate other options.

The generator/welder trailer needs a small accessory battery for full brake functionality. Consensus was that this battery should be purchased by the workshop. The battery must be maintained during the long periods when the trailer sits idle, and so should the starting batteries of the generator/welders. A solar battery maintenance system seems like an appropriate way to make sure these devices are available when needed, whether in emergency or not. Mike Lapointe will work on an appropriate solution.

A yard trimmer needs a battery, but it's not clear if it's appropriate for the workshop to provide this. On hold until the matter is clarified.

Round robin brought up some of the items on the supply list:

- C-Clamps. Sizes 3, 4, 6 inches desired, four each suggested by Bob.
- Sisal buffing wheel and polishing compound suggested by Jack.

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING MINUTES  
October 11, 2018  
3:30 PM

**Cape George Social Club**

**Bi-Annual Meeting Minutes**

**September 11, 2018 11:30 - Fall Luncheon**

Cassie Reeves called Meeting to Order

Approve minutes of prior meeting – Mary Rothschild moved to approve, Kitty Rucker seconded

Introduce Leadership Team: Treasurer Cassie Reeves, and members Mary Maltby, Mary Rothschild, Jane Ludwig and Reesa Rees. Absent: Marta Krissovich and Laurie Owen.

Treasurer's Report presented by Cassie Reeves

Ruth Ross has agreed to join the Leadership Team

**Old Business:**

Purchases approved in April: The stereo/CD player was replaced. A kitchen shade was purchased and installed.

Picnic table update from Ken (on behalf of Laurie) (*\$500 approved in April for supplies to repair picnic tables*) – Carl Schwersinske has agreed to head up the rebuild project for picnic tables. Sharon Mitchel is going to request funding from the Board for two tables. Group discussion about funding ideas included table sponsorships (individual, memorial, family or committee), picnic table fundraiser event, request funding from each committee. Project will not start until next spring when Carl returns. Meanwhile fundraising efforts should continue so we can provide materials when it's time to build. Estimated cost of \$250 per table for materials. Social Club has already committed \$500 for "repairs" which will instead be used for two new tables.

**New Business:**

Reduction of plastic use in clubhouse and status of sanitizer. Sanitizer is fine; there was a blockage under the sink which was pushing 'gunk' into the sanitizer. Not going to replace sanitizer as budgeted in 2017 since it is working correctly. Everyone agreed to use silverware whenever feasible to reduce our plastic waste.

Volunteers for Grannie's Attic sale; Set up 4/15-4/18, sale 4/19-20. Norma and Cassie co-chairs, Robin Scherting, Mary Maltby.

Thank you to Shelley Fye for putting on the delightful Art Reception which was very well attended. Photo Wall update: (*Board has approved recommendation display of nine 8x10 framed photos on the 'thermostat' wall so*



CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING MINUTES  
October 11, 2018  
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*that each Committee can have a photo on display*). Kitty Rucker moved that we give \$200 for frames, Ruth Ross seconded.

Robin Scherting re: Band on the Beach – Robin and Carl will continue to coordinate – cost only \$300 this year so Robin requested \$500 for next year, but with a ‘reserve’ of \$200 additional in case it goes higher. Researching additional bands for future events. George Martin suggested a band called Daring Greatly. Coyote is the band lined up for 2019 event. Jean Pennington moved to approve the \$500 with \$200 reserve, Kitty Rucker seconded.

Emergency Prep will host St. Patrick’s Day event in 2019. Need to see if Pool Committee will continue to take every other year.

Emergency Prep demo 10 am on 9/29 at the CG beach. Meet in lot by clubhouse. Demonstrating how seaplane evacuations would take place.

Kitty Rucker, Environmental Committee: Presented info on the October event, a costume party for Halloween. Brats (meat and vege) will be provided, potluck event. \$5 per couple

Salmon BBQ/Waterfront Festival was very well attended. Combined event will be planned for next year as well. T-shirt sales helped cover expenses for the Waterfront Festival (Marina portion). Salmon sales covered expenses for BBQ (Workshop).

Mary Maltby said that the raise in Newsletter advertising rates has not cost us any advertisers.

Mary Rothschild reported on CG Revue. Well attended and ended in the black. Lots of work so won’t be an annual event. Perhaps every 2 or 3 years?

Reminder: CGU Tuesday 9/18 at 7 pm, Fayla Schwartz on Native Plants

**Upcoming Events:**

October 27 Halloween Party (Env. Committee)  
March 17 St. Patrick’s Day party (Emer. Prep Committee)  
April 19-20 Grannie’s Attic Sale  
April 26-28 Marina Sale  
May 27 Memorial Day BBQ  
July 4 Independence Day BBQ  
July 17 Band at the Beach  
August 18 Salmon BBQ/Waterfront Festival

Next Social Club meeting April 9, 2019 at 11:30 AM

CAPE GEORGE COLONY CLUB  
SPECIAL BOARD OF TRUSTEES MEETING MINUTES  
November 10, 2018  
1:30PM

**President Katie Habegger called the meeting to order at 1:30 p.m.**

Welcome

An Executive Session will be held immediately following the Special Board Meeting to discuss personnel matters. It was announced that book keeper Sally Lovell had resigned her position, effective mid-December.

**In Attendance:** Katie Habegger, Ray Pierson, Karen Krug, George Martin and Ross Anderson.

**Motion to adjourn to Executive Session:** Karen Krug moved and Ray Pierson seconded to adjourn to Executive Session to discuss a personnel matter. Passed-4/0

**Motion to return to Special Meeting Session:** At 3:05 pm the Board returned to Special Meeting session.

**Motion 1:** Ross Anderson moved and Karen Krug seconded a motion to offer the position of HOA Manager to candidate William Southon, at terms to be negotiated. Passed-4/0

**Announcements:**

- Study Session – November 13, 2018 3:00 P.M.
- Board Meeting – November 15, 2018 3:30 P.M.

**Motion to adjourn Special Meeting Session:** At 3:10 pm Karen Krug moved and George Martin seconded a motion to adjourn. Passed-4/0

**Submitted by:**

**Approved by:**

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Joel Janetski, Secretary

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Katie Habegger, President

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING MINUTES  
November 15, 2018  
3:30 PM

**President Katie Habegger called the meeting to order at 3:30 p.m.**

Welcome

An executive session will be held following the regular meeting to discuss personnel and legal matters.

**In Attendance:** Katie Habegger, Joel Janetski, Ray Pierson, Karen Krug, George Martin and Ross Anderson.

**Action on Minutes:** Joel Janetski moved and George Martin seconded to approve the minutes of the Special Board Meeting dated September 27, 2018. Passed -5/0

Joel Janetski moved and Ray Pierson seconded to approve the minutes of the Emergency Board Meeting dated October 18, 2018. Passed – 5/0

Joel Janetski moved and Ray Pierson seconded to approve the minutes of the Special Board Meeting dated November 10, 2018. Passed – 5/0

**Membership Report:** Joel Janetski

Kathleen McCormick purchase 10 Dennis Blvd from Steven & Peach Stebbins  
Scott Smith & Karen Green purchased 310 Colman from Patrice Baker  
Marc & Jean Lenke purchased lot 1-2 Sunset from Margi Bolstad  
Tom Cary & Deborah Hodesson purchased 153 N Rhododendron Dr from Meg Crosby

**Treasurer's Report:** Karen Krug

A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website. The detailed statements as well as additional monthly financial material and are also available for review in the office as are the quarterly internal control reports.

All October 2018 bank statements have been reconciled and reviewed with no exceptions. All accounts are within FDIC/NUCA limits.

Operations in all three cost centers are all on paths to produce year end results that are better than those originally budgeted.

By the end of October all major revenue - assessments, water fees, marina fees - have been charged so the final two months of the fiscal year will generate little in the way of additional revenue.

Total combined expenses for the remainder of the year were budgeted at around \$77,000. There are several atypical expenses like the materials for the fitness room sidewalk and recruitment costs, but there appears to be nothing that would change the favorable outlook for the remainder of the year.

**CAPE GEORGE COLONY CLUB**  
**BOARD OF TRUSTEES MEETING MINUTES**  
**November 15, 2018**  
**3:30 PM**

		CAPE GEORGE COLONY CLUB						
		Balance Sheet as of October 31, 2018 and 2017						
Assets		2018	2017		Liabilities and Fund Balances	2018	2017	
Cash and Cash Equivalents:					Current Liabilities:			
Operations Checking		\$ 201,783	\$ 136,382		Accounts Payable & Other Liabilities	\$ 15,698	\$ 8,428	
Operating Investment-Savings		82,230	98,369		Unearned Income General/Water/Etc.	3,641	4,656	
Petty Cash (2 accounts)		600	600		Unearned Income Reserve Assment	199	609	
Reserves - General, Water & Marina		785,821	698,333		Unearned Income Marina Wait List	1,850	1,400	
Routine Reserve Assessment		123,537	119,952		Total Current Liabilities	21,388	15,093	
Total Cash & Equivalents		1,193,971	1,053,636					
Net Accounts Receivable		6,447	14,345		FUND BALANCES:			
Total Net Fixed Assets		1,889,775	1,867,546		Fund Balances (Combined)	2,761,054	2,653,054	
Total Prepaid & Other Assets		26,816	23,932		Modified Cash Basis Income	334,567	291,311	
TOTAL ASSETS		\$3,117,009	\$2,959,459		TOTAL LIABILITIES & FUND BALANCE	\$3,117,009	\$ 2,959,459	

**Summary Revenue and Expense Statements for the periods ended September 30, 2018 and 2017 (Modified Cash Basis)**

<b>2018 Year to Date</b>					<b>COMPARATIVE</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>		<b>2018 YTD</b>	<b>2017 YTD</b>	<b>Variance</b>	<b>%</b>
<b>General</b>					<b>General</b>				
General Assessment	\$ 296,576	\$ 296,576	-	0%	General Assessment	\$ 296,576	\$ 286,408	\$ 10,168	4%
Revenue - All Other Sources	29,512	21,199	8,313	>100%	Revenue - All Other Sources	29,512	36,141	(6,629)	>100%
Total General Revenue	326,088	317,775	8,313		Total General Revenue	326,088	322,549	3,539	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	119,644	124,289	4,645	4%	Salaries, Benefits, PR Tax	119,644	113,060	(6,584)	-6%
Repairs & Maintenance	16,488	15,918	(570)	-4%	Repairs & Maintenance	16,488	13,277	(3,211)	-24%
Contracted Services	34,983	35,190	207	1%	Contracted Services	34,983	36,950	1,967	5%
Insurance	16,660	16,408	(252)	-2%	Insurance	16,660	15,836	(824)	-5%
Pool Expense, pool utilities	25,820	30,167	4,347	14%	Pool Expense, pool utilities	25,820	29,567	3,747	13%
Utilities	8,273	8,118	(155)	-2%	Utilities	8,273	8,683	410	5%
Other Expenses (incl taxes)	13,694	13,762	68	0%	Other Expenses (incl taxes)	13,694	34,102	20,408	60%
Total General Expenses	235,562	243,852	4,030		Total General Expenses	235,562	251,475	(8,652)	
<b>General Net Income</b>	<b>\$ 90,526</b>	<b>\$ 73,923</b>	<b>\$ 16,603</b>	<b>22%</b>	<b>General Net Income</b>	<b>\$ 90,526</b>	<b>\$ 71,074</b>	<b>\$ 19,452</b>	<b>27%</b>

<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 188,715	\$ 187,920	\$ 795	0%	Revenue - Water Use Fees	\$ 188,715	\$ 186,960	\$ 1,755	1%
Revenue - All Other Sources	8,268	1,500	6,768	451%	Revenue - All Other Sources	8,268	5,544	2,724	49%
Total Water Revenue	196,983	189,420	7,563		Total Water Revenue	196,983	192,504	4,479	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	53,038	55,298	2,260	4%	Salaries, Benefits, PR Tax	53,038	51,100	(1,938)	-4%
Repairs & Maintenance	1,927	9,441	7,514	80%	Repairs & Maintenance	1,927	12,885	10,958	85%
Contracted Services	14,686	18,034	3,348	19%	Contracted Services	14,686	14,780	94	1%
Insurance	8,386	8,260	(126)	-2%	Insurance	8,386	8,069	(317)	-4%
Utilities	10,945	10,375	(570)	-5%	Utilities	10,945	10,290	(655)	-6%
Other Expenses (incl taxes)	21,239	23,988	2,749	11%	Other Expenses (incl taxes)	21,239	21,390	151	1%
Total Water Expenses	110,221	125,396	15,175		Total Water Expenses	110,221	118,514	8,293	
<b>Water Net Income</b>	<b>\$ 86,762</b>	<b>\$ 64,024</b>	<b>\$ 22,738</b>	<b>36%</b>	<b>Water Net Income</b>	<b>\$ 86,762</b>	<b>\$ 73,990</b>	<b>\$ 12,772</b>	<b>17%</b>

**CAPE GEORGE COLONY CLUB**  
**BOARD OF TRUSTEES MEETING MINUTES**  
**November 15, 2018**  
**3:30 PM**

<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 57,066	\$ 56,094	\$ 972	2%	Revenue - Moorage/Parking	\$ 57,066	\$ 54,294	\$ 2,772	5%
Revenue - All Other Sources	14,277	10,640	\$ 3,637	34%	Revenue - All Other Sources	14,277	14,245	32	0%
Total Marina Revenue	71,343	66,734	4,609		Total Marina Revenue	71,343	68,539	2,804	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	12,846	13,458	612	5%	Salaries, Benefits, PR Tax	12,846	12,123	(723)	-6%
Repairs & Maintenance	12,459	17,963	5,504	31%	Repairs & Maintenance	12,459	13,383	924	7%
Contracted Services	1,810	4,465	2,655	59%	Contracted Services	1,810	3,309	1,499	45%
Insurance	5,916	5,332	(584)	-11%	Insurance	5,916	5,629	(287)	-5%
Utilities	4,498	5,417	919	17%	Utilities	4,498	5,453	955	18%
Other Expenses (incl taxes)	3,354	3,201	(153)	-5%	Other Expenses (incl taxes)	3,354	2,810	(544)	-19%
Total Marina Expenses	40,883	49,836	8,953		Total Marina Expenses	40,883	42,707	1,824	
<b>Marina Net Income</b>	<b>\$ 30,460</b>	<b>\$ 16,898</b>	<b>\$ 13,562</b>	80%	<b>Marina Net Income</b>	<b>\$ 30,460</b>	<b>\$ 25,832</b>	<b>\$ 4,628</b>	18%
<b>Reserve Activity</b>					<b>Reserve Activity</b>				
Routine Reserve Revenue	124,456	124,456	-	0%	Routine Reserve Revenue	124,456	121,808	2,648	2%
Bad Debts, Recoveries, Misc.	354	(564)	918	0%	Bad Debts, Recoveries, Misc.	354	(2,407)	2,761	N/A
Reserve Interest - all	2,009	35	1,974	0%	Reserve Interest - all	2,009	1,014	995	98%
<b>Net Reserve Income</b>	<b>\$ 126,819</b>	<b>\$ 123,927</b>	<b>\$ 2,892</b>	2%	<b>Net Reserve Income</b>	<b>\$ 126,819</b>	<b>\$ 120,415</b>	<b>\$ 6,404</b>	5%
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 334,567</b>	<b>\$ 278,772</b>	<b>\$ 55,795</b>	20%	<b>Cmbnd Net Income/(Loss)(3)</b>	<b>\$ 334,567</b>	<b>\$ 291,309</b>	<b>\$ 40,608</b>	15%

**Manager's Report:** Sharon Mitchel

Sadly speeding in the Colony has once again been brought to my attention. A member was walking and as she stepped into an intersection, a car ran the stop sign. The walker was able to step back but was shaken. Please slow down and be mindful of our many walkers.

Aimee Garrett has completed her seasonal caretaker role with Cape George. Job well done Aimee! We will miss you!

In case you aren't aware the Marina and Workshop "guys" help out around the community with projects, not just those that are marina related. This month, they replaced the old concrete pathway to the fitness room in just a few work sessions. The community will appreciate their work on this project for years to come!

Greg Rae and Donnie have been working on the water tank farm's manganese filtration system. They have replenished the treatment product which is now better filtering the manganese from the system. Because there was still some residual manganese in the system, we have begun a flushing program. Pipes in the Village, Huckleberry and the Colony have all been flushed. We are still seeing some brown water, so the pipes will be again flushed tomorrow.

Recently the computer that maintains our weather station data was down for several days as a result of the motherboard and power supply failure. It has now been repaired.

Projects being worked on by the Office Administrator, Terri Brown:

- Processing 4th quarter payments

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- Ballot mailing
- Sent out 2nd backflow test letters
- Preparing for 2019 marina registration

Projects being worked on by the Maintenance Staff, Donnie Weathersby:

- Continuing work on the manganese filtration system
- Assisted volunteers with the sidewalk
- Repaired broken water meter boxes

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

- Speeding in the Colony
- Unsightly storage in a member's front yard
- Outdoor lighting complaint in the Colony
- Members accompanying election candidates while canvassing Cape George
- House exterior in Colony not complete within 6 months
- Grasses not mowed on 2 vacant lots

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

**Information Items:** The Cape George Five Year Financial Pro-Formas are attached to these minutes.

**Member participation:** Barry Soble expressed concern over the new speed bump on Marina Dr. Although it has been very effective, could we possibly replace it with a stop sign at the bottom of the hill? The Board agreed to discuss the issue at the next study session.

**New Business Action Items:**

**Motion 1:** Ross Anderson moved and Ray Pierson seconded to approve a member request for a height variance.  
Passed – 5/0

**Motion 2:** Ross Anderson moved and Karen Krug seconded to approve the refund of marina over-payments for three members as a result of over measurements. Passed – 5/0

**Motion 3:** Joel Janetski moved and Ray Pierson seconded to approve a due date adjustment for one member.  
Passed-5/0

**Motion 4:** George Martin moved and Joel Janetski seconded to refund a member's \$400 clubhouse rental deposit.  
Passed-5/0

**Motion 5:** Karen Krug moved that the Board renew the Clubhouse and Workshop flood insurance with Selective at the current coverage parameters for annual fees of \$2,559 and \$1,235 respectively as outlined in the Selective invoices dated October 2, 2018. George Martin seconded. Passed – 5/0



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**Motion 6:** Since Greg Rae, in order to pursue other full time professional opportunities has terminated his Water Manager contract with Cape George; Karen Krug moved the Board accept a new qualified independent contractor, Steve Wright, as the Cape George Water System Manager effective November 15, 2018. George Martin seconded. Passed – 5/0

**Motion 7:** Karen Krug moved and Ray Pierson seconded that the Board accept the recommendation of the Water Committee and add Mr. Marty Gilmore to the Water Committee and appoint him Chairman of the Water Committee effective immediately. Passed – 5/0

**Motion 8:** Karen Krug moved and Joel Janetski seconded to establish a business money market account at US Bank with the current Board officers and current Manager as signatories on that account. Passed – 5/0

**Open Board Discussion:** Ray Pierson suggested we add the property address to the names listed on the website for open building permits. This would make searching easier.

**Announcements:**

- Special Membership Meeting (proxy/in-person voting) – December 11, 2018 2:45 pm
- Study Session – December 11, 2018 3:00 P.M.
- Board Meeting – December 13, 2018 3:30 P.M.

**Adjournment:** Ray Pierson moved and Ross Anderson seconded to adjourn the Regular Board Meeting and moved to Executive Session at 3:49 pm. Passed –5/0

Executive Session adjourned at 4:37 pm.

The Regular Board Meeting resumed at 4:38 pm.

**Motion 1:** Karen Krug moved that the Board respond in writing to a Member regarding fines imposed for a violation. Due to what may be perceived as an inadequate notice of an appeal hearing, as a gesture of good faith a refund of the fines paid to date will be made. However, the Board stands by its decision on the rule violation and fines will be applied until hedge issue is resolved to the Board's satisfaction. Motion seconded by George Martin Passed – 5/0

**Motion 2:** Karen Krug moved that in recognition of Terri's increased workload prior to yearend, the Board approve additional compensation of \$250/month, i.e., \$125 for November and \$250 for December, both payments net of deductions. Motion seconded by Ray Pierson. Passed - 5/0

**Adjournment:** Ross Anderson moved and George Martin seconded to adjourn regular session at 4:40 pm. Passed – 5/0

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Submitted by:

Approved by:

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Joel Janetski, Secretary

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Katie Habegger, President

Committee reports:

**ENVIRONMENTAL COMMITTEE MINUTES**

**CAPE GEORGE CLUBHOUSE–Monday, October 8, 2018, 9:15 am**

**IN ATTENDANCE:** Varn Brooks, Joanne Clarkson, Patty Dunmire, Sue Dunning, Pat Gulick, Katie Habegger, Norma Lupkes, Steve McDevitt, Ruth Ross, Kitty Rucker, Robin Scherting, Fayla Schwartz,

**I. CALL TO ORDER:** Kitty called the meeting to order at 9:15 am.

**II. APPROVAL OF MINUTES:**

Fayla moved and Varn seconded that the minutes from the September meeting be approved as revised. The minutes were approved unanimously.

**III. FISCAL REPORT:** The current balance is \$2,504.08, unchanged from last month. (*These are not funds that belong to Cape George Colony Club Inc.*)

**IV. OLD BUSINESS:**

1. **The Halloween Dinner/Party** will take place on Saturday October 27. Charge will be \$5 per person as a fundraiser for the committee. Brats and fixings and hot cider will be provided. Attendees are asked to bring side dishes and any other drinks they would like. There will be a scary food contest.

**Decorating:** Sue and Pat will pull out decorations they have to decide what can be used again. The following volunteers will meet at 10 am on Oct 27 to decorate: Kitty, Steve, Robin, Joanne and Jim, Sue, Norma, Patty, Pat, and Ruth

**Food:** Sue Dunning had purchased 7 packs of polish sausage, but one is missing from the labeled packages in the clubhouse freezer. Steve offered his freezer at home to store the remaining brats. Patty Dunmire will locate and purchase a

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vegetarian brat option and will bring chopped onion. Sue will purchase Halloween candy for the tables and buns for the brats. Kitty will purchase apple cider from Safeway, as well as ketchup, chicken brats/dogs, and one additional package of Polish sausage. Steve will bring Sauerkraut. Patty Dunmire will bring chopped onions

**Cooking Team:** Kitty, Ruth, Fayla and Patty Dunmire will meet at the clubhouse at 4 pm to cook (boil and oven roast brats) and set out the fixings. Steve will heat cider. Food will be served on biodegradable paper plates.

**Music:** Joanne and her husband Jim will check on music for the party and Jim will Emcee

Contests and Prizes: There will be contests for best costume, best ugly food, and best pumpkin carving. Prizes will be a choice of a mountain map or protection island book, which will also be on sale at the party.

**Clean up:** Everyone from the committee is encouraged to stay and help clean up

2. ***Walking sticks*** – Sue Dunning has placed walking stick in an umbrella stand under the gazebo for people to take and use on the beach and then return for others. Sue will work on a sign for the container.

3. ***Monthly films***: The first monthly film will be presented by Darrell and Lorna Smith on November 13 and will concern birds and animals of Costa Rica. Popcorn will be provided.

**V. NEW BUSINESS:**

1. ***Tree take down***. We discussed the recent take down of the diseased tree on the bluff that nevertheless looked healthy. At this point, the committee did not think any further action was needed.

2. ***Presentation by The Jefferson County Marine Resources Committee*** affiliated with Washington State University. The Committee has offered to do one or more presentations for our community. Among the proposed topics, there appeared to be most interest in how to establish rain gardens. Contacts are Michelle Chow and Cheryl Lowe WSU. Joan requested a Saturday date for the presentation if possible so that people who are only here on weekends can attend,

3. ***A Pruning and work party*** in front of clubhouse needs to be planned. Betty Hanks would help supervise and Donny could be asked to help with limb removal from the roof. Pat Gulick and Betty will make a list of what needs to be done. The committee will plan to schedule a work day in November.

4 ***Photo for wall of Clubhouse***: 8 x 10 pictures can be stacked in a single frame so that they can be changed easily. The committee will discuss possible photos (e.g., Halloween party, Marine survey, clean-up projects)

5. ***Seal flyer***: Steve reported a dead seal pup in the marina found by Ben Fellows and then did a report, Betsy recommended owner bury it if on private property. Another one was also found on the beach recently. Ruth provided two small posters she obtained from the Marine Science Center about not disturbing baby seals and Kitty will discuss with the office where they might be posted.

**VI. ADJOURNMENT:** The meeting was adjourned at 10:09 am.

Respectfully submitted by Ruth Ross

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**ENVIRONMENTAL COMMITTEE MINUTES**

**CAPE GEORGE CLUBHOUSE–Monday, November 12, 2018, 9:15 am**

**IN ATTENDANCE:** Kyanne Andersen, James Clarkson, Joanne Clarkson, Pat Gulick, Katie Habegger, Joan Hommel, Cheryl Lowe, Dennis McDaniel, Steve McDevitt, Sharon Mitchel, Ruth Ross, Kitty Rucker, Robin Scherting, Carol Schlecht

**I. CALL TO ORDER:** Kitty called the meeting to order at 9:15 am.

**II. APPROVAL OF MINUTES:** Pat moved and Dennis seconded that the minutes from the October meeting be approved as revised. The minutes were approved unanimously.

**III. FISCAL REPORT:** The current balance is \$2,788.19, which includes \$284 profit from the Halloween dinner. (*These are not funds that belong to Cape George Colony Club Inc.*)

**IV. OLD BUSINESS:**

1. **Work Party at Clubhouse:** Sharon said it would be good if the work could be completed before Thanksgiving. Work party will be Monday, Nov 19 at 10 am. Betty Hanks will supervise pruning work and Donny will be asked to remove limbs from the roof. Pat Gulick noted that soaker hoses would greatly simplify watering at the clubhouse in the dry season and reduce weeds. Sharon will check with Donny to see if any of the hoses in the garage are soaker hoses. If not we can buy more.

2. **Halloween Dinner:** The party was very successful with over 80 people attending, including quite a few children in costume. Robin suggested a special kids' parade and small kid-friendly gifts in future. She will plan something special for the children for next year.

3. **Photos for Clubhouse Wall:** Members were asked to bring 8 x 10 photos for the committee photo wall (eg, bell cleaning, beach walk, marine survey, Halloween party).

**V. NEW BUSINESS:**

1. **WSU Speakers on Rain Gardens:** Cheryl Lowe, the paid staff for the otherwise volunteer Jefferson County Marine Resources Committee (MRC) attended to tell us about resources available to our community. The MRC advises the country commissioners, and their focus is protecting/restoring marine habitats. Their projects include working with shoreline property owners; eel grass protection, oyster restoration, and providing educational programs on topics such as dog bag programs, beach walks, and rain gardens. Members expressed interest in a rain garden presentation. The MRC provides grant funding for projects and Washington State University (WSU) Extension Service provides academic expertise, Bob Simmons at WSU is their expert on rain gardens and reduction of storm water run-off. Bob has visited Cape George and seen 2 or 3 sites that might work for a rain garden but a more careful survey is needed.

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Steve recently participated in a marine forage fish survey at Adelma Beach with Jeff Taylor who has been running the project in Discovery Bay for 2 years to learn more about breeding habits of these small fish (e.g., sand lance, surf smelt) that support larger fish, mammals, and birds. Steve suggested a survey could be done on Cape George's beach, perhaps the 1000-foot stretch below the marina. Two people could do the survey, but 4 would be better. Steve moved that he investigate with experts the feasibility of the committee undertaking one or both projects before we approach the board about any potential project, Ruth seconded, and the motion passed unanimously. Ruth moved that we ask Cheryl Lowe to arrange an educational session on rain gardens for Cape George, Robin seconded, and the motion passed unanimously.

2. **New Manager.** Katie reported that they have interviewed and hired a new manager, William Southon, who will start at the end of December.

3. **Orca Folders.** Carol obtained some folders about orca-safe crabbing practices from the office in Everett where she picked up her lost crab trap. Joan moved, Carol seconded, and the motion passed unanimously that the folders be offered 1) to new residents by Carol Chandler, 2) to the Marina Committee, and 3) at Environmental Committee programs.

4. **Plants for Memorial Park.** Kyanne Anderson purchased 4 blue star junipers and 8 small heathers at Valley Nursery for the garden at Memorial Park to fill some large open areas that are hard to week. Robin moved, Joan seconded, and the motion was unanimously passed that the committee reimburse Kyanne for her \$214.60 expenditure. The committee thanks Kyanne and Pat Hartman for their excellent work in maintaining Memorial Park.

5. **Upcoming programs.** Members were reminded of Darrell and Lorna Smith's presentation "Living the Wildlife in Costa Rica" Tuesday, Nov 13 at 7 pm. It is hoped that Darrell and Lorna can do a film in December. Two possibilities are the documentaries "The Plastic Ocean" and "The Memory of Fish." The group suggested we start with "The Plastic Ocean."

6. **Upcoming meetings.** Kitty will be gone in January and February. Robin moved and Ruth seconded that we meet in December and then cancel meetings for those 2 months and this was unanimously approved

**VI. ADJOURNMENT:** The meeting was adjourned at 10:20 am.

Respectfully submitted by Ruth Ross

### **Workshop committee meeting minutes, 10/2/2018**

In attendance: Mike Lapointe, Sharon Mitchel, Bill Dunning, Jack Scherting, Dick Poole, George Martin, Bill Hamilton, Bob Skoien, Varn Brooks, Marta Favati, Laurie Owen, Ken Owen, Ben Fellowes, Ross Anderson, Nick Muzik, Marty Bluewater

Mike Lapointe started the meeting at 9:05 am. Unlikely to be another meeting this calendar year. The chair thanked Bob Skoien & Carl Schwersinske (not present) for donating tools/supplies that were on the wish list.

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\*The 2019 Salmon BBQ was the main topic. Input from the previous meeting and by email from Cassie Reeves was considered in the discussion. Main points:

- A replacement table has been ordered for the clubhouse
- While the clubhouse was reasonably clean after the last BBQ, some things were not put away
- A volunteer list is necessary so tasks are not overlooked
- A limit must be placed on the number of tickets sold, and stick with it to avoid mixed messages. Limit chosen is 150. While this exceeds the occupancy limit of the clubhouse (important if it rains on BBQ day) there are also outdoor shelters which can accommodate some.
- Vote of 11 to 1 decided that the BBQ will be combined with the 2019 Waterfront Festival.
- Considered important to dole out side dishes as the BBQ progresses, rather than make all available at once. Not only does it help keep good options available to later diners, but requires fewer tables and limited square footage of the clubhouse (again, important if it rains).
- Suggested that we may want to hold dessert sides back until most diners have gotten sides.
- If we can funnel diners through a line for sides, this will help in managing side dish depletion by setting expectations and encouraging courteous behavior by early diners with respect to later diners.
- Sides should be inside for sanitary reasons.
- Tickets are expected by folks who pay for the BBQ, regardless of whether we are strict about checking for them. Cape George office can dispense them, but we would need to provide them. Marty offers to help with the tickets. He mentions wristbands as one possibility.
- Dispense the plates at the salmon table, regardless of whether the person gets salmon or not. Though some diners will bring their own plates and be outside the system, this will help manage traffic.
- Call diners by table, even for diners that are not eating salmon.
- Marty raises the possibility of having a drawing from the tickets for some prize TBD.
- Jack suggests bringing the salmon inside on trays when ready. Having the salmon next to the side dishes would help with traffic management.
- Next year need to start the fire earlier. This year the fire was going around 130 pm.
- Discussed whether to have different plates for salmon/no salmon, but decided to keep them the same.
- No tickets will be arranged for side dishes, only for the salmon.
- Mike Lapointe was asked to check on whether the band had been arranged for next year, and for the correct date.

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- \* Since Mike Lapointe will be absent for some time during the winter, Ken Owen volunteered to be backup chairperson.
- \* The metal band saw needs some investigation to find out what part(s) need to be replaced.
- \* The broken jointer part needs to be fabricated; it is no longer available for purchase. John Hanks may be able to help. Greg Mika is another resource. Varn suggests Andersen Machine could also make it.
- \* Mike Lapointe needs to examine the generator trailer to determine what capacity solar charging system is needed. He should get a copy of the key to the trailer.
- \* Revisited the topic of tools not to be checked out. The reason is that gas-powered tools are easy to damage through ignorance. Bob Skoien will make a sign for tools not to be checked out without permission, once he receives a list.
- \* After checking for other options, Varn again requested to borrow the gas chain saw for an Environmental Committee project. He has extensive chain saw experience. The loan was approved.
- \* 10" saw blades are needed soon.

**Cape George Colony – Five Year Financial Pro-Formas  
Net Income, Reserves and Cash-on-Hand**

The final step in the "annual" budget process is a five-year look at financial positions.

The difficulty in projections is the inherent uncertainty of internal and external factors. The greater the simplicity of the tools used the greater the uncertainty of the results. For this five-year view, simple straight-line mathematical models<sup>(1)</sup> were constructed using the 2019 budget as a base and the expenditures were taken from the 2018 updated reserve studies. These pro-formas are general informative guidelines for planning purposes.

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The basic goals of these pro-formas are to:

- Calculate year-end reserve balances to estimate the adequacy of those balances when considering strategic decisions
- Provide an estimation of excess cash from operations in each of the next five years
- Estimate cash on hand, or emergency cash, in the operations savings account

The major inflationary assumptions used in the pro formas were:

- Revenue increases in each of the pro-forma years mirror 2019 increases
  - \* 3.6 % general assessment and 2.2% reserve assessment increase
  - \* 2.0% water fee increase (not increased in 2019)
  - \* 2.2% increase in moorage
  - \* All other fees, charges and rates increases at less than 1%
- Expense increases in each of the projection years
  - \* 3.0% overall labor to account for wage and health insurance increases
  - \* 3.0 increase in repairs and maintenance
  - \* 4.0% increase in utilities, insurance and pool expenses
  - \* All other expense items increases of between 2% and 3%
- Income disposition
  - \* Net income used for reserve deposits and deposits to operations savings
  - \* The reserve deposit goal, i.e. the net income plus the pro-rata allocation, should strive to match the RCL "recommended amount. Those 2019 amounts are:
    - General = \$ 69,400
    - Water = \$117,500
    - Marina = \$ 46,000

The optimal goal for cash-on-hand is to reach the standard of 90 days of operating expenses in hand in immediately liquid cash. At the beginning of 2018 that account is projected to contained 58 days, or \$80,500 of cash. By Member vote the account is to maintain a minimum balance of \$70,000.

(1) *More rigorous modeling tools were of no benefit as historical information does not yield statistically reliable correlations, patterns or trends.*

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<b>GENERAL</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
General Assessment	\$464	\$480	\$498	\$516	\$536	\$554
Net Income	11,900	22,600	24,300	26,000	27,900	29,900
Reserve Assessment	38,400	39,300	40,100	41,000	41,900	42,800
Actual Funding/ Recommended	73%	87%	87%	88%	89%	90%
Reserve Expenditures	(11,790)	(108,100)	(20,500)	(49,900)	(21,200)	(36,200)
Reserve balance – Dec. 31	320,600	277,000	324,200	344,900	397,500	438,400

<b>WATER</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Basic Water Fee	\$360	\$366	\$374	\$380	\$390	\$396
Net Income	42,400	46,100	45,300	44,400	43,400	43,400
Reserve Assessment	68,100	69,600	71,200	72,700	74,300	75,900
Actual Funding/ Recommended	94%	96%	93%	91%	89%	87%
Reserve Expenditures	(8,230)	(20,300)	(15,300)	(3,700)	(21,600)	(149,400)
Reserve balance – Dec.31	794,600	898,900	1,010,000	1,134,600	1,243,100	1,224,200

<b>MARINA</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Per Foot Moorage	\$27.75	\$28.36	\$28.98	\$29.62	\$30.67	\$30.94
Net Income	5,600	10,600	10,000	9,500	8,800	8,200
Reserve Assessment	19,800	20,300	20,700	21,200	21,600	22,100
Actual Funding/ Recommended	55%	65%	63%	61%	59%	57%
Reserve Expenditures	(25,150)	(31,800)	(4,300)	(117,300)	-0-	(16,600)
Reserve balance – Dec. 31	47,900	47,500	14,700	18,200	49,200	63,500

<b>RESERVE ASSESSMENT</b>	<b>2019</b>	<b>2020</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Per Member	\$192	\$196	\$200	\$204	\$208	\$212

<b>OPERATIONS SAVINGS</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Days Cash on Hand	56	56	55	54	52	51

*Net Income includes all potential sources of income. The "Assessment," "Basic Fee", and "Per Foot" values show only the major source of income for the cost center.*

*Dollars rounded in tables. Proforma are for financial planning purposes only.*

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SPECIAL BOARD OF TRUSTEES MEETING MINUTES  
December 4, 2018  
1:00PM

**Vice President Ray Pierson called the meeting to order at 1:00 pm**

Welcome

**In Attendance:** Ray Pierson, Karen Krug, George Martin, Joel Janetski and Ross Anderson.

**Motion to adjourn to Executive Session:** Karen Krug moved and Ross Anderson seconded to adjourn to Executive Session at 1:05 pm. Passed-5/0

**Motion to return to Special Meeting Session:** Joel Janetski moved and George Martin seconded to adjourn the Executive Session and return to the Special Meeting session at 1:50 pm. Passed-5/0

**Motion 1:** Karen Krug moved and George Martin seconded, that based on the Treasurer's memo of December 4, 2018, Cape George enter into an immediate agreement with Community Financial for completion of the 2018 financial year-end and audit and pursue development of long-term financial management agreement with Community Financial. (A copy of treasurers memo attached for reference.) Passed-5/0

**Motion 2:** Ross Anderson moved and George Martin seconded to send a draft Employee Contract to Bill Southon for his review. Passed-5/0

**Motion 3:** Joel Janetski moved and Ray Pierson seconded a motion to adjourn the Special Board Meeting at 1:56 pm. Passed-5/0

**Submitted by:**

**Approved by:**

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Joel Janetski, Secretary

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Ray Pierson, Vice President



# Memo

**To:** Board of Trustees  
**From:** K. Krug, Treasurer  
**Cc:** S. Mitchel, Manager  
**Date:** December 4, 2018  
**Re:** Replacement of bookkeeping services

The abrupt resignation of the Cape George bookkeeper right at the start of year-end presents significant bookkeeping and accounting challenges. It also presents significant opportunities in those areas. For the past ten or fifteen years Cape George has struggled to recruit, train and retain management, front and back-office financial support capable of providing accurate, timely and informative financial reports that meet the needs of the Association and its Members as well as satisfying the legal and regulatory requirements of a large scale homeowners association.

Some of the past efforts have been more successful than others. In the end however all those efforts have left Cape George with the inherent risk of needing to continue to rely on the local, rural environment to provide individuals who both understand the unique financial and record keeping requirements of homeowners associations and the specifics that are Cape George; be that reliance on employed staff or volunteer oversight.

Cape George has been fortunate over the last five or six years to have had a stable operational group upon which to rely but that has perhaps lulled the organization into a false sense of operational security as well as an unawareness of the fair market value of the services it has enjoyed.

Cape George has an opportunity to respond to the immediate year-end financial operational challenge. If viewed with a longer term perspective that challenge should also provide a clear path for a more sustainable, robust and secure financial future. There are three basic ways to do this:

1. Continue the unrealistic expectation that even a skilled community Manager can be enough of a financial expert to be hands-on with the intricacies of HOA accounting and record keeping.
2. Recruit and train a new back-office bookkeeper and be prepared to do the same if or when the front-office bookkeeping clerk (Office Administrator) decides to transition and be prepared to do so again and again.
3. Outsource with a firm that provides professional expertise, eliminates single-person dependence, understands HOA accounting and maximizes the benefits of existing staff and systems for years to come.

Outsourcing with the proper partner provides an optimal solution to both the immediate year-end financial needs and sets the stage for future financial reliability and continuity. Reliability, whether staff, volunteers or IT systems is of course paramount as Members and others must be able to depend on the numbers. Continuity is also imperative in light of the constantly changing Board membership and its need to rely on management teams whose financial skill levels may vary.

Outsourcing will cost more than the direct costs paid in recent years but not as much as one might expect. In addition to the bookkeeper's wages there are system costs, materials costs and other costs depending on the range of services desired. Much like the realization that credentialed management would cost more than the organization was used to paying, an financial outsource firm with the knowledge, expertise and professional depth to manage the financial operations of a HOA, unlike the time of volunteers, are not without cost. The long term benefits including continuity and professionalism will outweigh the moderately increased costs.

Two potential outsourcing firms have been identified; Community Financial and Clarity. The Treasurer and Manager have spoken with both firms and a summarized comparison matrix of the two is attached.

**It is my recommendation that Cape George enter into an immediate agreement with Community Financial for completion of the 2018 financial year-end and audit and begin the process of developing a long-term financial operations management agreement with Community Financial.**

## SUMMARY COMPARISON OF FINANCIAL OUTSOURCING FIRMS

Item	Community Financials	Clarity
Who	Community Financials Boulder, CO	Clarity Port Townsend, WA
Services Provided	Limited to bookkeeping and accounting services exclusively to HOAs and Condos throughout the US	A wide range of management services including bookkeeping to small businesses in the PT area
Systems expertise	TOPS and Caliber (top 2 HOA/Condo specific systems)	QuickBooks
Business basics	Started in 2001 63 HOA/Condo clients Licensed, insured and bonded	Started in 2006 No (?) HOA/Condo clients Licensed and insured and bonded(?)
CG experience	No	Yes; both positive and negative
Depth of bench	Owner is a CAI certified Manager and a member of WA CAI. Small current staff of six all HOA experienced bookkeepers and accountants; two with high level TOPS backgrounds. Business model is to grow HOA/Condo finance specific business	Owner – BA in accounting; Eclectic staff of 10 only one of whom, if available, has any HOA or TOPS experience. Business model is to grow wide range of general management services with an emphasis on small not-for-profits
Able to provide immediate assistance	Yes, can start immediately with team of HOA bookkeepers and accountants including two professionals who are prior TOPS employees – Can work remotely with direct lines of communication; limited CG oversight needed	Yes, can start immediately with a bookkeeper previously employed at CG plus oversight by owner who has some prior limited familiarity with HOAs or CG – Cannot work remotely, circuitous communication and full CG oversight still required
Able to provide long-term assistance	Yes – can provide broad range of options from partial financial operations to full financial operations; can also provide seamless upgrade from TOPS Pro to TOPS One eliminating the need for onsite server with no loss of historical data	Yes - but will require either continued reliance on departed CG staff member or significant modification of internal systems, as Clarity views TOPS as an operational hindrance
Basic proposal for immediate services	Remote access - \$95/hr. with capped estimate of 15 hours for Dec. and 10 hours for Jan. work. If longer term agreement entered into then a refund of 16% of Dec. and Jan. billing -- Very limited CG oversight time and communication is virtually immediate and direct	Only on-site - \$55/hr. for ex-CG staff and \$115/hr. for review time with no hours estimate. CG oversight time, especially volunteer oversight remains essentially unchanged and communication will be cumbersome and circuitous
Proposal for long term services	No specific proposal received as of this date. Website and conversation indicates a long list of HOA specific financial services and tools currently provided to HOAs and Condo clients	No specific proposal requested or received as of this date

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**President Katie Habegger called the meeting to order at 3:30 p.m.**

Welcome

Election Results are as follows:

A total of 251 ballots were received and twenty (20) of those could not be counted. Ten (10) were not signed, One (1) had no outside envelope, six (6) trusts not properly identified, one (1) LLC not properly identified and two (2) no security envelope. There were 231 total votes counted. A super majority necessary for some changes is 155 (67% of 231). Not everyone voted for every item. The voting results are:

Measure	Item	Votes Cast	Approval	Disapproval
1	2019 operating budget	225	208	17
2	2019 reserve project expenditures	225	203	22
3	Amend Building and Property Regulations	225	196	29
4	Amend Bylaws	226	195	31
5	Amend Articles of Incorporation	226	196	30
6	IRS Resolution	224	216	8

Executive session to follow today's meeting to discuss personnel matters.

**In Attendance:** Katie Habegger, Joel Janetski, Karen Krug and George Martin

**Action on Minutes:** Joel Janetski moved and Karen Krug seconded to approve the minutes of the Special Board Meeting dated December 4, 2018. Passed -4/0

Joel Janetski moved and George Martin seconded to approve the minutes of the Regular Board Meeting dated November 15, 2018. Passed – 4/0

**Membership Report:** Joel Janetski

Bruce & Lyn Zoellick purchased lot 18-3 Spruce Dr from Boyd & Wanda Cochran  
Jeffrey Crabtree purchased 301 Saddle Dr from Kimberly Morgan  
Leslie Gordon purchased 190 Colman from Anne Jimenez  
Kathleen Friend purchased 410 S Palmer from Bill & Debra Cooper

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**Treasurer's Report:** Karen Krug  
As of November 30, 2018

A summarized comparative balance sheet and a condensed statement of revenues and expenses are included on the next page. Detailed statements are available on the Cape George website and in the Cape George office.

**2018 BALANCE SHEET COMMENTS**

All bank accounts have been reconciled and the bank statements reviewed. At month end, all financial institutions were within the FDIC/NCUA limits. Cape George has established an additional bank account to ease any FDIC/NCUA limit pressure.

In comparing the current balance sheet to the same month last year there are several differences worth noting. Cash is \$30,000 higher largely a result of the increase in year-to-date net income. Net receivables are less than half of what they were this time last year, the result of both more aggressive collection efforts and new owners for several properties that were chronically delinquent in the past.

The collected amount of unearned marina wait revenue is noticeably higher than in November of last year. There have been a number of Members added to the wait list during 2018, a number of Members have received slip assignments during the year and several Members have withdrawn from the wait list forfeiting their previous deposits.

**OVERALL OPERATING COMMENTS**

Operations are producing significantly more favorable results than originally budgeted through the first eleven (11) months of the current fiscal year. The improved results are a combination of unanticipated revenues and lower than budgeted expenses. As is typical for Cape George, the final month of the year will have operating expenses but virtually no additional revenue. Even with this pattern, and barring unforeseen circumstances, it appears operating results for the full year will be better than budget.

**General Operations**

Unexpected revenue from donations, bad debt recoveries and fines coupled with pool utilities that have not been as high as expected are the primary drivers of better than budgeted General Operations results.

**Water Operations**

New water service installations together with bad debt recoveries have resulted in higher than budgeted revenue. This coupled with lower repair expenses are generating the better than budgeted results. Repair and maintenance is always budgeted to include contingencies for this critical service. No repair or maintenance was deferred during the year; the expenditure just proved unnecessary.

**Marina Operations**

Revenue in nearly all sub-categories was slightly higher than budget. The single largest item was the sale of old copper wire that was removed prior to the installation of the new electrical system. Lower than budgeted repairs and maintenance, especially not adding rock to the jetties have also contributed to the better than budgeted operating performance.

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**FUTURE ACTIVITIES**

As mentioned above, December is typified by expenses with little to no revenue. In addition, producing financial statements for the month is generally delayed to ensure that all current year financial activities are captured and recorded prior to the required external audit. This year will be no exception.

The repair of the pool showers, a Member approved 2018 reserve project will most likely be completed before the end of December. Like many repair projects to older, heavily used facilities, especially those in a harsh, wet environment, the extent of the needed repairs was not known until the project started. What was thought to be mostly a replacement of shower tile turned out to be a replacement of numerous structural wall and floor elements. The project which was Member approved at \$6,200 is currently expected to cost around \$12,000. The Pool Committee, to ensure that the repairs are done properly, has promised donations for the cost overruns.

CAPE GEORGE COLONY CLUB									
Balance Sheet as of November 30, 2018 and 2017									
Assets	2018	2017	Liabilities and Fund Balances	2018	2017				
Cash and Cash Equivalents:			Current Liabilities:						
Operations Checking	\$ 168,257	\$ 131,480	Accounts Payable & Other Liabilities	\$ 15,513	\$ 16,016				
Operating Investment-Savings	82,264	98,381	Unearned Income General/Water/Etc.	4,984	4,975				
Petty Cash (2 accounts)	600	600	Unearned Income Reserve Assemnt	499	609				
Reserves - General, Water & Marina	786,018	681,794	Unearned Income Marina Wait List	1,850	1,500				
Routine Reserve Assessment	124,763	121,651	Total Current Liabilities	22,846	23,100				
Total Cash & Equivalents	1,161,902	1,033,906							
Net Accounts Receivable	2,507	5,855	FUND BALANCES:						
Total Net Fixed Assets	1,890,295	1,867,546	Fund Balances (Combined	2,761,054	2,653,054				
Total Prepaid & Other Assets	27,328	24,784	Modified Cash Basis CY Income	298,132	255,937				
TOTAL ASSETS	\$3,082,032	\$2,932,091	Total Liabilities and Fund Balance	\$3,082,032	\$2,932,091				
Summary Revenue and Expense Statements for the periods ended November 30, 2018 and 2017 respectively									
2018 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2018 YTD	2017 YTD	Variance	%
General Assessment	\$ 296,576	\$ 296,576	-	0%	General Assessment	\$ 296,576	\$ 286,408	\$ 10,168	4%
Revenue - All Other Sources	29,816	22,035	7,781	35%	Revenue - All Other Sources	29,816	37,732	(7,916)	-21%
Total General Revenue	326,392	318,611	7,781		Total General Revenue	326,392	324,140	2,252	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	130,876	135,795	4,919	4%	Salaries, Benefits, PR Tax	130,876	123,911	(6,965)	-6%
Repairs & Maintenance	19,153	16,542	(2,611)	-16%	Repairs & Maintenance	19,153	13,791	(5,362)	-39%
Contracted Services	36,911	37,121	210	1%	Contracted Services	36,911	38,910	1,999	5%
Insurance	18,425	18,048	(377)	-2%	Insurance	18,425	17,419	(1,006)	-6%
Pool Expense & Pool Util.	28,451	34,583	6,132	18%	Pool Expense & Pool Util.	28,451	31,814	3,363	11%
Utilities	9,109	8,879	(230)	-3%	Utilities	9,109	9,451	342	4%
Other Expenses (incl taxes)	15,928	15,075	(853)	-6%	Other Expenses (incl taxes)	15,928	34,786	18,858	54%
Total General Expenses	258,853	266,043	2,141		Total General Expenses	258,853	270,082	(11,334)	
General Net Income	\$ 67,539	\$ 52,568	\$ 14,971	28%	General Net Income	\$ 67,539	\$ 54,058	\$ 13,481	25%



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<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 188,715	\$ 187,920	\$ 795	0%	Revenue - Water Use Fees	\$ 188,715	\$ 186,960	\$ 1,755	1%
Revenue - All Other Sources	8,268	1,500	6,768	451%	Revenue - All Other Sources	8,268	5,544	2,724	49%
Total Water Revenue	196,983	189,420	7,563		Total Water Revenue	196,983	192,504	4,479	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	58,145	60,595	2,450	4%	Salaries, Benefits, PR Tax	58,145	56,008	(2,137)	-4%
Repairs & Maintenance	1,927	10,385	8,458	81%	Repairs & Maintenance	1,927	13,615	11,688	86%
Contracted Services	16,350	19,666	3,316	17%	Contracted Services	16,350	15,878	(472)	-3%
Insurance	9,275	9,086	(189)	-2%	Insurance	9,275	8,880	(395)	-4%
Utilities	11,928	11,412	(516)	-5%	Utilities	11,928	11,238	(690)	-6%
Other Expenses (incl taxes)	22,498	25,311	2,813	11%	Other Expenses(incl taxes)	22,498	24,059	1,561	6%
Total Water Expenses	120,123	136,455	16,332		Total Water Expenses	120,123	129,678	9,555	
<b>Water Net Income</b>	<b>\$ 76,860</b>	<b>\$ 52,965</b>	<b>\$ 23,895</b>	45%	<b>Water Net Income</b>	<b>\$ 76,860</b>	<b>\$ 62,826</b>	<b>\$ 14,034</b>	22%
<b>Marina</b>					<b>Marina</b>				
Revenue - Moorage/Parking	\$ 56,986	\$ 56,094	\$ 892	2%	Revenue - Moorage/Parking	\$ 56,986	\$ 54,294	\$ 2,692	5%
Revenue - All Other Sources	14,453	10,702	\$ 3,751	35%	Revenue - All Other Sources	14,453	14,280	173	1%
Total Marina Revenue	71,439	66,796	4,643		Total Marina Revenue	71,439	68,574	2,865	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	14,109	14,792	683	5%	Salaries, Benefits, PR Tax	14,109	13,321	(788)	-6%
Repairs & Maintenance	12,727	18,109	5,382	30%	Repairs & Maintenance	12,727	13,506	779	6%
Contracted Services	1,977	4,851	2,874	59%	Contracted Services	1,977	7,527	5,550	74%
Insurance	6,544	5,866	(678)	-12%	Insurance	6,544	6,196	(348)	-6%
Utilites	5,006	5,958	952	16%	Utilites	5,006	5,844	838	14%
Other Expenses (incl taxes)	4,390	3,539	(851)	-24%	Other Expenses(incl taxes)	4,390	3,628	(762)	-21%
Total Marina Expenses	44,753	53,115	8,362		Total Marina Expenses	44,753	50,022	5,269	
<b>Marina Net Income</b>	<b>\$ 26,686</b>	<b>\$ 13,681</b>	<b>\$ 13,005</b>	95%	<b>Marina Net Income</b>	<b>\$ 26,686</b>	<b>\$ 18,552</b>	<b>\$ 8,134</b>	44%
Routine Reserve Assmnt	124,456	124,456	-		Routine Reserve	124,456	121,808	2,648	
All Reserve Interest/(Exp)	2,591	(521)	3,112		All Reserve Interest/(Exp)	2,591	(1,307)	3,898	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 298,132</b>	<b>\$ 243,147</b>	<b>\$ 54,983</b>	23%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 298,132</b>	<b>\$ 255,937</b>	<b>\$ 42,195</b>	16%

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flooring. Instead of spending \$4200 or more on the project, we spent \$2066. This has been a wonderful example of what the Cape George community can accomplish. Thanks to all of you who helped out!

The swimming pool shower project will be complete soon but later than expected. Unfortunately, there was a lot more damage behind the walls. We will let you know once we have an exact reopening date. Last spring, the pool committee held a fundraiser, "April Showers" to help with the project since they wanted to be sure of a better outcome this time. When it was time to do the work, other Cape George volunteers answered the call and have removed all the shower walls and plumbing. They insulated all the dripping exposed pipes. They plumbed the showers and under the ladies room sink. They have installed very water resistant FRP exterior walls on the shower stalls. Will these showers stand the test of time? We expect they will! I hope you'll drop by to take a dip in the pool.... after your cleansing shower in our new changing rooms. Enjoy!

Projects being worked on by the Office Administrator, Terri Brown:

- Prepared and sent out annual marina registration notices
- Processing Accounts Payable
- Sent out final backflow device notices.

Projects being worked on by the Maintenance Staff, Donnie Weathersby:

- Continuing work on the manganese filtration system
- Assisted volunteers with the pool shower update-Thank you Donnie!

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

- Dogs barking in the Colony
- Inoperable vehicles in a Village front yard
- Inoperable boat and trailer parked in Marina South parking lot

Very importantly, I'd like to thank all of you from the bottom of my heart for all of your support and kind words since I assumed the role as Cape George Manager. I will miss working with Terri, Donnie, the Trustees, Committees and each and every member. I will never forget this experience! Leaving Cape George is going to be difficult but I'm looking forward to my new life as a retiree living closer to my family in Oklahoma. I wish all of you the very best!

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

**Information Items:**

The manager will merge the marina and general petty cash accounts and reduce the amount held in petty cash from \$600 to \$300.

Discussion on 2019 bank signatories was postponed until January

The manager was directed to post changes to CP08 and CP08a in the upcoming newsletter for member comment

The trustees have asked that the Marina Committee review the trailer registration and insurance requirements on the marina registration form

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**Member participation:** Ben Fellows expressed doubt that a stop sign would be as effective as the speed bump at the bottom of the hill on Marina Drive.

**New Business Action Items:**

**Motion 1:** Having served its purpose, George Martin moved and Joel Janetski seconded to remove the temporary speed bump on Marina Drive and install a stop sign on Marina Drive for the traffic entering the Clubhouse/ Marina parking lot, closer to the Clubhouse/Play area, the exact location to be determined. Passed – 4/0

**Motion 2:** George Martin moved and Karen Krug seconded to accept the Marina Committee's recommendation and appoint Marty Bluewater as Marina Committee Chair. Passed – 4/0

**Motion 3:** Joel Janetski moved and George Martin seconded to accept the proposed 2019 clubhouse blackout dates. Passed – 4/0

**Motion 4:** George Martin moved and Karen Krug seconded to approve the refund requests AFF001, COU002 & GAM001 in the amount of \$400.00 each for Clubhouse Rental Deposit, as the events were signed off by the event coordinator. Passed – 4/0

**Motion 5:** Karen Krug moved and Joel Janetski seconded to accept a \$4,056 cash/check donation from the Pool Committee's Non-Cape George funds to be applied against the cost overrun for the major pool shower repair. Passed – 4/0

**Motion 6:** Karen Krug moved and George Martin seconded to approve placing with SABA the three accounts whose balances are more than 180 days past due as detailed in the Manager's memo of December 7, 2018 which was included in the December 2018 Study Session material. Passed – 4/0

**Motion 7:** Karen Krug and Joel Janetski seconded to ratify total Allowances for Doubtful Accounts in the amount of \$1,990 as detailed outlined in the Treasurer's memo dated December 6, 2018 which was included in the December 2018 Study Session material. Passed – 4/0

**Motion 8:** Karen Krug moved and George Martin seconded to ratify the 2018 additions and deletions to the fixed asset listing as detailed in the Treasurer's memo of December 6, 2018 which was included in the December 2018 Study Session material. Passed – 4/0

**Motion 9:** Karen Krug moved and Joel Janetski seconded to approve the 2018 minimum excess operating cash transfer of \$80,053 to the three individual reserve accounts as detailed in the Treasurer's memo December 6, 2018 which was included in the December 2018 Study Session material. Passed – 4/0

**Motion 10:** Karen Krug moved and George Martin seconded to approve the 2018 reserve assessment allocation of a net of \$124,124 to the three individual reserve Accounts as detailed in the corrected Treasurer's memo dated December 12, 2018 which was distributed at the start of the December 2018 Board meeting. Passed – 4/0

**Motion 11:** George Martin moved and Karen Krug seconded to approve end of year bonuses of \$300 (net) for employees actively employed as of December 31, 2018. Passed – 4/0

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**Open Board Discussion:** none

**Announcements:**

- Special Board Meeting – December 19, 2018 1:30 P.M.
- Study Session – January 8, 2018 3:00 P.M.
- Board Meeting – January 10, 2018 3:30 P.M.

**Adjournment:** George Martin moved and Karen Krug seconded to adjourn the Regular Board Meeting and moved to Executive Session at 3:50 pm. Passed –4/0

Ray Pierson, Vice President joined the executive session.

Karen Krug moved and Joel Janetski seconded to adjourn the executive session and move to regular session at 4:15 pm. Passed – 5/0

**Motion 1:** Karen Krug moved and George Martin seconded to accept a correction in Sharon Mitchel's resignation letter from December 31<sup>st</sup>, 2018 to January 31<sup>st</sup>, 2019. Passed – 5/0

**Adjournment:** Joel Janetski moved and George Martin seconded to adjourn regular session at 4:16 pm. Passed – 5/0

**Submitted by:**

**Approved by:**

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Joel Janetski, Secretary

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Katie Habegger, President

**Committee reports:**

**ENVIRONMENTAL COMMITTEE MINUTES  
CAPE GEORGE CLUBHOUSE–  
Monday, December 10, 2018, 9:15 am**

**IN ATTENDANCE:** James Clarkson, Joanne Clarkson, Katie Habegger, Steve McDevitt, Sharon Mitchel, Katy Muzik, Ruth Ross, Kitty Rucker, Robin Scherting, Varn Brooks, Fayla Schwartz , Patty Dunmire

**I. CALL TO ORDER:** Kitty called the meeting to order at 9:15 am.

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**II. APPROVAL OF MINUTES:** Robin moved and Varn seconded that the minutes from the November meeting be approved as revised. The minutes were approved unanimously.

**III. FISCAL REPORT:** The current balance is \$2,562.94, which reflects payment for plants for Memorial Park. *(These are not funds that belong to Cape George Colony Club Inc.)*

**IV. OLD BUSINESS:**

1. **Photos:** Kitty noted that she was able to print and put up a photo of the Environmental Committee cleaning the clubhouse bell in one of the committee frames by the thermostat.
2. **Work party at clubhouse:** The following people participated in the work party on November 19: Betty Hanks, Katie Habegger, Ruth Ross, Dennis McDaniel, Pat Gulick, Patty Dunmire, and Kitty Rucker. The work of pruning the bushes and weeding was completed in about an hour. Betty Hanks provided guidance on how to trim the different plants.
3. **Film:** *Plastic Sea* will be shown at the clubhouse on Tuesday, Dec. 18, at 7 p.m. Lorna and Darrell will introduce the film. Katy Muzik, who is staying with her brother at the moment, is an expert on coral reefs and is also very interested in this topic. She offered to do some research and share information at the film.
4. **Rain Gardens**
  - a. Presentation on rain gardens by Bob Simmons of Washington State University is scheduled for March 28, at 7:00 pm at the Clubhouse. This is made possible by the Jefferson County Marine Resources Committee.
  - b. Steve McDevitt has arranged to meet Bob Simmons at Memorial Park Wednesday Dec. 12, 10 a.m. to visit sites where rain gardens might work in Cape George, Fayla Schwartz will also come. Others who are interested are welcome.

**V. NEW BUSINESS:**

1. **Bird Count at Cape George:** Varn reported that he will be working with the Audubon Society to do a Christmas bird count for Cape George on Dec 15. He noted that he has enough volunteers, except that they need someone who can accurately identify birds to do a count at his or her feeder in the Village. This count can be done on a single day between Dec 12 to 18
2. **Sharon's good-bye:** Kitty thanked Sharon for providing wonderful help and support to the committee and presented her with a card and a gift certificate to Alchemy Bistro. Robin praised Sharon for her great ability to deal with the very demanding job of manager. The meeting was then adjourned and a cake saying "Thank you, Sharon" was shared.

**VI. ADJOURNMENT:** The meeting was adjourned at 9:45 am.  
Respectfully submitted by Ruth Ross

**Marina Committee minutes: Nov. 6, 2018**

Harbormaster Ben Fellows called the meeting to order at 11 am. About 15 members were present. Ben expressed thanks to the committee members who helped construct the new sidewalk to the Fitness Room.

Ben briefed the committee on steps he has taken toward a Spill Response Plan, including upgraded absorbent booms and pumps. He also has prepared a list of people to be contacted in the event of a spill.

Ben briefed the committee on marina related tasks where he needs help from members, including long term planning, management of the south parking lot, the marina sale and the Waterfront Festival. Several members expressed a willingness to help.

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Ben updated members on what he has learned about options for future replacement of the marina docks. The existing wooden docks are nearly 30 years old and will eventually need to be replaced—possibly with aluminum or some other material. One small section of aluminum dock has been loaned to the marina. And Ben is organizing a field trip to Pleasant Harbor to get a look at their docks.

Members discussed when to shut off water to the docks to prevent pipes from freezing. The consensus was to shut off the water later in November, but to consider opening them briefly at times during the winter.

The meeting was adjourned at 12:10 pm  
Ben

**Marina Committee Meeting, December 4, 2018**

Attendees: Cape George Manager, Sharon Mitchel, Board Member, Ross Anderson, Harbormaster, Ben Fellows and Marina Chairperson, Marty Bluewater. Marina Committee: Paul Happel, Jim Bodkin, Tom Cawrse, Lee Jensen, Nick Muzik, Dow Webber, Marta Favati, Jack Scherting, Dave Drewry, Bob Skoien and Thad Bickling,

COME ON OUT ON TUESDAYS FROM 9:00-12:00 AND VOLUNTEER AT THE MARINA. MEET INTERESTING PEOPLE AND ASSIST THE COMMUNITY IN MAINTAINING THE MARINA.

The meeting was called to order at 11:00 am by Harbormaster, Ben Fellows. A long range planning committee has been formed for the marina. In anticipation of replacement of the docks during the 2025-2026 reserve schedule the marina is visiting marinas with new dock systems. Marina committee members visited Pleasant Harbor to look at an example of current marina dock systems. Northwest Docks placed an example of their dock system adjacent to the marina crab shack for Cape George to look at. Currently the marina is evaluating our docks to see what condition they are in and assessing repairs needed to keep the docks in good shape.

Marina Dredging was discussed for the 2021 reserve schedule. Different scenarios were discussed to dredge the marina.

The 2019 reserve schedule calls for graveling the access road and the marina boat parking lot. Water line replacement for the docks is also in this reserve schedule. A dilapidated unusable utility trailer donated to the marina years ago is being scrapped to the junk yard. Ben asked that after the crab season that all crab pots and related materials be removed from the docks and taken away from the marina.

Marina volunteers formed up and finished a sidewalk from the parking lot to the fitness room saving the community \$2,000 in labor and materials. To honor the volunteers the fitness committee donated pizza and soft drinks for the marina committee meeting. Ben Fellows thanked Sharon Mitchel for all the wonderful things she has done as the manager of Cape George. The meeting adjourned at 11:40 am.

CAPE GEORGE COLONY CLUB  
SPECIAL BOARD OF TRUSTEES MEETING MINUTES  
December 19, 2018  
Cape George Office Meeting Room  
1:30 PM

**President Katie Habegger called the meeting to order at 1:30 p.m.**

Welcome

**In Attendance:** Katie Habegger, Joel Janetski, Karen Krug, George Martin, Ray Pierson and Ross Anderson

Ray Pierson moved and Ross Anderson seconded to adjourn the Special Board Meeting and moved to Executive Session at 1:35 pm. Passed –5/0

Ray Pierson moved and George Martin seconded to adjourn the Executive Session and resume the Special Board Meeting at 3:40 pm. Passed – 5/0

**Adjournment:** Karen Krug moved and Joel Janetski seconded to adjourn the Special Board Meeting at 3:41 pm. Passed – 5/0

**Announcements:**

Study Session – January 8, 2019 3:00 P.M.

Board Meeting – January 10, 2019 3:30 P.M.

**Submitted by:**

**Approved by:**

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Joel Janetski, Secretary

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Katie Habegger, President