

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JANUARY 16, 2014  
7:00 PM**

**President Richard Hilfer called the meeting to order at 8:02 pm**

- A. Welcome
- B. Work will begin on the seawalls January 20<sup>th</sup>. Marina access may be restricted at times.

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

**Action on Minutes:** Carol Wood moved and Ray Pierson seconded to approve the December 12, 2013 minutes. Passed 6/0

Carol Wood moved and Michael Hinojos seconded to approve the December 20, 2013 minutes. Passed 6/0

**Membership Report:** Carol wood

- Glen Hellman purchased 60 Alder Drive and Lot 64-4 Alder Drive from Bank of America
- Phyllis Ballough purchased 400 Sunset Blvd from the Amy Brandon Estate
- Dale Koenig purchased 41 Pine Drive from the Thomas Dannenfelser Estate

**Treasurer's Report:** Karen Krug

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

All comments are based on preliminary statements which are subject to change during final year end close and audit.

**Balance Sheet comments:**

Cash and cash equivalents show positive improvement over the prior year with about one-half of the increase attributable to collections for the North Seawall. With minor exceptions, all special assessment funds for the North Seawall project have been received.

The operational savings account now stands at the approved \$70,000 balance, an increase of nearly \$40,000 over the prior year end. The \$125,600 balance in checking is comprised entirely of 2014 prepayments. Unlike prior years, most of the current year cash transfers to reserves have already occurred. This represents a significant improvement in the operating cash position over the prior year. Much of this improvement is the result of the \$88,000 in correction of errors in prior year reserve transfer.

Reserve accounts as presented include the budgeted 2013 transfers. In December, \$12,956 was transferred to General reserve, \$46,635 to Water reserve and \$6,630 to Marina reserve for a total of \$66,220. When the audit is complete additional transfers may be made.

Fixed assets in 2013 are shown exclusive of depreciation which is expected to be about \$94,000 (a non-cash item). During 2013 there have been increases in assets as a result of new pump motors in the water system and also increases in the up-front costs of the North Seawall project. No assets were disposed of during the fiscal year.

Net receivables are nearly equal to the prior year. Allowances have been made for the potential uncollectibility of some Members accounts. It is expected that over \$9,000 in general and water fees will prove uncollectible while about \$2,400 in the assessment for the North Seawall will not be collectible. Making a provision for uncollectability does not mean that the corporation has ceased efforts to collect.

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Payables are slightly higher than last year due mostly to better invoice monitoring, i.e. finding the payables internally rather than having auditors identify unrecorded payables during audit.

Unearned income categories do appear to be higher than last year but this is mostly due to increases in assessments, new assessments for the south seawall and berm and increases in marina fees and not because most Members are paying early.

**Income Statement comments:**

**On an combined basis**, operations for the current fiscal year will outperform the budget by slightly more than \$26,000. The positive performance is due to both increased income and lower than expected labor costs and contract services. Interest income on the reserve is also a factor since that value is not budgeted. Operating results were also better than the prior year.

Operating results were also better than the prior year due to increases in non-primary income sources (fines, excess water fees, etc.) and noticeable improvements in contract services due to discontinuation of external bookkeeping services.

**General operations** exhibited favorable performance when compared to budget by nearly \$18,000. While there were favorable and unfavorable variances in all revenue and expense categories, the favorable outcome is mostly the result of lower than budgeted pool costs, lower than budgeted labor costs and higher income from contributions and the Mobilisa antenna on the Clubhouse. Flood insurance proceeds of \$16,000 were nearly completely offset by purchases for small replacement tools and some repair work in the workshop.

**Water operations** finished the year with results virtually identical to budget. Contract services for consulting associated with the Water System Plan are noticeably higher than budget but careful control of other expenditures offset most of that unfavorable variance.

**Marina operations** show favorable performance when compared to budget by slightly over \$10,000. Much of this variance is traceable to labor allocations that were \$3,900 or 29% lower than budget. Also contributing to the favorable overall performance were higher than budgeted fees from all sources and the fact that the harvest by-pass pit was not dug.

**SPECIAL ASSESSMENT FOR NORTH MARINA SEAWALL - Collection and Expenditure Information**

Total Special Assessment approved by Members	<b>\$293,928</b>	Cash collected thru 12/31/2013	\$291,095
662 equivalent lots @ \$444 each		Past due Receivable as of 12/31/13	2,685
Bad debts actually written-off	(148)	Anticipated uncollectibles as of 12/31/13	(2,417)
Bad debt allowance thru 12/31/2013	(2,417)	Calculated Special Assessment	<b>\$291,363</b>
Expected Net Special Assessment	<b>\$291,363</b> (1)		
<b>Special Assessment Cash Balance:</b>		<b>Marina Reserve Contribution:</b>	
Cash collections through 12/31/2013	\$291,095	Total (99.1% of \$100,000)	\$99,100 (1)
Plus: All years Interest income (4305-007-2012 & 2013)	417	Less: Actual draws (thru 12/31/13)	(4,474) (2)
Less: Actual draws for expenses (12/31/13)	(13,585) (2)	Balance as of 12/31/13	\$94,626
Net Cash In Special Assessment Account	<b>\$277,927</b>		
Expenditures not yet drawn as of 12/31/13 = \$1,185	(2)	Expenditures not yet drawn as of 12/31/13 = \$395	(2)
GL Balance (1108-007 + \$90.) 12/31/2013	<b>\$277,938</b>	GL Balance (1108-003) 12/31/13	<b>\$89,438</b>
		Adjusted Shortfall	<b>\$5,188</b> (3)

**NOTES:**

(1) Only 99.1% of assessed amount is anticipated to be collected. Therefore the proportional Marina contribution reduced accordingly.

(2) Total preliminary project costs to date are \$19,693 (CIP-#1491-001). By Board decision, 75% of all N Seawall expenses are to be from Special Assessment funds (\$14,770 - \$13,585 actually drawn) with the remaining 25% from Marina Reserves (\$4,869 - \$4,474 actually drawn).

(3) Since Marina operations generated more cash than anticipated, to cover most of the adjusted shortfall in early 2014.

kck 01/16/14

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**CAPE GEORGE COLONY CLUB  
PRELIMINARY - SUBJECT TO FINAL YEAR END CLOSE**

*Balance Sheet as of December 31, 2013 and 2012*

<b>Assets</b>	<b>2013</b>	<b>2012</b>	<b>Liabilities and Fund Balances</b>	<b>2013</b>	<b>2012</b>
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 125,599	\$ 76,652	Accounts Payable & Other Liabilities	\$ 16,673	\$ 11,831
Operating Investment-Savings	70,018	31,496	Unearned Income General/Water/Etc.	105,875	73,142
Petty Cash (2 accounts)	600	600	Unearned Income Marina	23,095	17,298
Reserves - General, Water & Marina	464,945	429,786	Unearned Income Marina Wait List	900	550
North Seawall Special Reserve	277,938	167,367	Total Current Liabilities	146,543	102,821
Total Cash & Equivalents	939,100	705,901	North Seawall Assessment Liability	293,928	293,928
Net Accounts Receivable	3,321	2,397			
Special Assessment Receivable	268	120,918	<b>FUND BALANCES:</b>		
Total Net Fixed Assets**	1,493,856	1,473,280	Fund Balances (Combined)**	1,924,204	1,858,937
Total Prepaid & Other Assets	23,675	21,860	Modified Cash Basis CY Income**	95,545	68,670
<b>TOTAL ASSETS</b>	<b>\$2,460,220</b>	<b>\$2,324,356</b>	<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$2,460,220</b>	<b>\$2,324,356</b>

\*\* Shown exclusive of 2013 depreciation; 2012 Funded Balance includes depreciation.

Cash Basis CY Income in both years is exclusive of depreciation

**Summary Revenue and Expense Statements for the periods ended December 31 (Modified Cash Basis)**

<b>2013 Year to Date</b>					<b>COMPARATIVE</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>		<b>2013 YTD</b>	<b>2012 YTD</b>	<b>Difference</b>	<b>%</b>
<b>General</b>					<b>General</b>				
Revenue-General Assessmnt	\$ 264,852	\$ 264,853	(1)	0%	Revenue-General Assessmnt	\$ 264,852	\$ 254,665	\$ 10,187	4%
Revenue - All Other Sources	43,525	20,600	22,925	111%	Revenue - All Other Sources	43,525	20,217	23,308	115%
Total General Revenue	308,377	285,453	22,924		Total General Revenue	308,377	274,882	33,495	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	126,949	136,923	9,974	7%	Salaries, Benefits, PR Tax	126,949	119,322	(7,627)	-6%
Repairs & Maintenance	31,096	18,488	(12,608)	-68%	Repairs & Maintenance	31,096	11,791	(19,305)	-164%
Contracted Services	43,005	39,554	(3,451)	-9%	Contracted Services	43,005	52,561	9,556	18%
Insurance	21,140	20,882	(258)	-1%	Insurance	21,140	22,730	1,590	7%
Pool expenses	18,379	30,000	11,621	39%	Pool expenses	18,379	22,135	3,756	17%
Other Expenses (incl taxes)	36,899	26,650	(10,249)	-38%	Other Expenses (incl taxes)	36,899	30,629	(6,268)	-20%
Total General Expenses	277,468	272,497	(4,971)		Total General Expenses	277,468	259,168	(18,298)	
<b>General Net Income</b>	<b>\$ 30,909</b>	<b>\$ 12,956</b>	<b>\$ 17,953</b>	<b>139%</b>	<b>General Net Income</b>	<b>\$ 30,909</b>	<b>\$ 15,714</b>	<b>\$ 15,195</b>	<b>97%</b>
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 182,220	\$ 181,440	\$ 780	0%	Revenue - Water Use Fees	\$ 182,220	\$ 182,030	\$ 190	0%
Revenue - All Other Sources	6,759	2,500	4,259	170%	Revenue - All Other Sources	6,759	2,836	3,923	138%
Total Water Revenue	188,979	183,940	5,039		Total Water Revenue	188,979	184,866	4,113	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	58,456	61,185	2,729	4%	Salaries, Benefits, PR Tax	58,456	56,463	(1,993)	-4%
Repairs & Maintenance	3,619	5,985	2,366	40%	Repairs & Maintenance	3,619	2,837	(782)	-28%
Contracted Services	34,831	22,500	(12,331)	-55%	Contracted Services	34,831	49,813	14,982	30%
Insurance	13,621	13,456	(165)	-1%	Insurance	13,621	8,487	(5,134)	-60%
Other Expenses (incl taxes)	32,176	34,179	2,003	6%	Other Expenses (incl taxes)	32,176	27,785	(4,391)	-16%
Total Water Expenses	142,703	137,305	(5,398)		Total Water Expenses	142,703	145,385	2,682	
<b>Water Net Income</b>	<b>\$ 46,276</b>	<b>\$ 46,635</b>	<b>\$ (359)</b>	<b>-1%</b>	<b>Water Net Income</b>	<b>\$ 46,276</b>	<b>\$ 39,481</b>	<b>\$ 6,795</b>	<b>17%</b>

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Marina							Marina								
Revenue - Marina Moorage	\$	43,444	\$	41,600	\$	1,844	0%	Revenue - Marina Moorage	\$	43,444	\$	39,409	\$	4,035	0%
Revenue - All Other Sources		14,733		22,135	\$	(7,402)	-33%	Revenue - All Other Sources		14,733		12,300		2,433	20%
Total Marina Revenue		58,177		63,735		(5,558)		Total Marina Revenue		58,177		51,709		6,468	
Expenses:							Expenses:								
Salaries, Benefits, PR Tax		9,628		13,550		3,922	29%	Salaries, Benefits, PR Tax		9,628		10,354		726	7%
Repairs & Maintenance		13,348		13,928		580	4%	Repairs & Maintenance		13,348		12,948		1,764	-3%
Contracted Services		4,290		3,545		(745)	-21%	Contracted Services		4,290		5,880		1,590	27%
Insurance		1,719		4,662		2,943	63%	Insurance		1,719		1,639		(80)	-5%
Other Expenses (incl taxes)		12,297		21,420		9,123	43%	Other Expenses (incl taxes)		12,297		9,434		(2,863)	-30%
Total Marina Expenses		41,282		57,105		15,823		Total Marina Expenses		41,282		40,255		1,137	
Marina Net Income	\$	16,895	\$	6,630	\$	10,265	155%	Marina Net Income	\$	16,895	\$	11,454	\$	5,441	48%
Interest Income - Reserves		1,464		-		(1,464)		Interest Income - Reserves		1,464		2,022		(558)	
Cmbnd Net Income/(Loss)**	\$	95,545	\$	66,221	\$	26,395	44%	Cmbnd Net Income/(Loss)**	\$	95,545	\$	68,670	\$	26,873	39%

\*\*Modified Cash Basis, Excludes Depreciation and certain other non-cash items

KCK 01/16/14

\*\*Modified Cash Basis, Excludes Depreciation and certain other non-cash items

KCK 01/16/14

**Manager's Report: Art Burke**

The door handle to the Fitness Room broke off. Since it is a specialized electronic lock system, it took a couple of days for the locksmith to locate parts and make repairs.

A 4 inch line at the tank farm cracked and caused a disruption of service to residents in the Highlands. Donnie and Mac McDonald were able to make the repairs in less than an hour and a half. The Water Manager is working with Donnie to evaluate the cause of the event.

We have completed another step in the process to acquire a permit from Jefferson County for the construction of a protective shoreline berm. This included submitting required documents to Jefferson County for the State Environmental Policy Act (SEPA) including, SEPA Environmental Checklist, Master Permit Application, Washington State Joint Aquatic Resources Permit Application Form (JARPA), Coastal Process Evaluation and Project Design/Description, Geotechnical Report, Habitat Assessment Study, Stormwater Site Plan and permit fees. Jefferson County is suggesting that they will need approximately seven months to review. Although we are not done yet, we are one step closer.

Office Administrator Sharon Mitchel provided the following updates and reports:

- Marina registration is going well. We do need users to bring/send in current (2013/2014) vessel and trailer registration plus proof of \$300k liability insurance if they haven't already done so.
- Clubhouse will be closed for floor stripping and waxing January 22nd through 24th.
- Fees and assessments have also been streaming in on schedule. Lots of members have been overpaying assessments by \$10.
- Don't forget that quarterly fees and assessments are due on the first day of each quarter. If not paid by the 30<sup>th</sup> of the month a \$10 late fee will be assessed and access to facilities turned off. A \$25 fee is then charged to reactivate access.

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Miscellaneous projects taking place in the community include:

- A large dead fir tree was removed near the office.
- Donnie and a group of volunteers cleared the area of signs and structures in the vicinity of the north and south seawall in preparation for the arrival of Orion Marine Group on January 20<sup>th</sup>.

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

- Report of a purse being stolen from a car in an open garage in the Colony.
- Report/complaint of a religious group soliciting in the community.
- Complaint of an exterior light being illuminated 24 hours a day.

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

**Information Items:**

- A. The Trustees reviewed a request from the Pool Committee to consider allowing renters access to the pool in exchange for a fee. Further discussion was deferred to next month's Study Session.
- B. The Manager provided an update on work toward acquiring a permit from Jefferson County for the construction of a protective shoreline berm (details provided in the Manager's Report).
- C. The Trustees continued the discussion on a potential Building Regulation violation and set aside a decision until after further discussion in February.

**Member participation:** A former trustee provided historical information to the Trustees about the pool access and the property maintenance issues.

**New Business Action Items:**

**Motion 1:** As partial fulfillment of annual ratification requirements in FIN08, Karen Krug moved and Michael Hinojos seconded that the summary of reserve transfers and the return on investment calculations as detailed in a memo from the Senior Bookkeeper dated 01/10/2014 and attached hereto, be approved. Passed 6/0

**Motion 2:** As partial fulfillment of annual ratification requirements in FIN08, Karen Krug moved and Ross Anderson seconded that the Allowance for Doubtful Accounts be established and approved at \$11,606 as of 12/31/2013 as detailed in a memo from the Manager dated 1/10/2014 and attached hereto. Passed 6/0

**Motion 3:** Carol Wood moved and Penny Jensen seconded to ratify ten accounts from four financial institutions. Passed 6/0

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**Motion 4:** Penny Jensen moved and Ray Pierson seconded to approve Resolution No. 1-01-14 to transfer \$320.63 from Marina Reserves to General Checking Account and \$961.87 from Special Assessment Account to General Checking Account for the Seawall Replacement Project, MW Hillman Consulting - \$382.50 and Mc Squared, Inc., - \$900.00. Passed 6/0

**Motion 5:** Michael Hinojos moved and Carol Wood seconded to approve 6 member requests for due date adjustments. Passed 6/0

**Motion 6:** Richard Hilfer moved and Michael Hinojos seconded to approve expenditure, not to exceed \$2000, for acquiring a legal opinion regarding establishing private property maintenance rule. Passed 6/0

**Open Board Discussion:**

A Board Member brought up that there is member interest in creating an RV parking storage area in the Highlands on club property. A member indicated that last time this was suggested, no action was taken for multiple reasons.

**Announcements:**

- A. Study Session – February 11, 2014, 3:00 p.m.
- B. Board Meeting – February 13, 2014, 7:00 p.m.

**Adjournment:**

Karen Krug moved and Michael Hinojos seconded to adjourn the meeting. Passed 6/0

The meeting was adjourned at 8:10 p.m.

Submitted by:

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**Carol Wood, Secretary**

Approved by:

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**Richard Hilfer, President**

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Trustees,

Below you will find a summary of anticipated doubtful accounts for year end. As stated in FIN08 - Critical Accounting Policy, it is the Boards responsibility to annually review and approve specific accounts that are expected to be uncollectible.

**2013 DOUBTFUL ACCOUNTS SUMMARY**

<b>Account</b>	<b>General</b>	<b>Water</b>	<b>Spec Mar</b>	<b>Late Fees</b>	<b>Fines</b>	<b>Other</b>	<b>Total</b>
HIL001	\$528	\$480	\$296	\$140	\$200		<b>\$1,644</b>
KEN001-2	\$657	\$600	\$370	\$180			<b>\$1,807</b>
BEC001	\$400	\$370	\$222	\$140	\$250	\$250	<b>\$1,632</b>
CLA002	\$400		\$222	\$140	\$412	\$50	<b>\$1,224</b>
IRI001	\$227	\$54	\$123	\$100	\$50	\$1	<b>\$555</b>
REA002	\$908		\$444	\$260	\$50		<b>\$1,662</b>
SLA005	\$657	\$600	\$370	\$190			<b>\$1,817</b>
SLA005-2	\$657		\$370	\$238			<b>\$1,265</b>
Totals	\$4,434	\$2,104	\$2,417	\$1,388	\$962	\$301	<b>\$11,606</b>
2013 Total Allowance Account				\$11,606			

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To The Board of Directors on 01/10/2014  
From Sally Lovell, Senior Bookkeeper

Below is the list of expenditures from the reserve investment accounts for the year 2013.

Below that is a basic idea of the rate of return on the various reserve investment accounts.

Account Key		Cape George Colony Board Resolution Transfers				
1102-001	General Checking					
1107-001	General Ops Investment					
1108-001	General Ops Reserves					
1108-007	Special Assessments					
1108-022	Water Ops Reserves					
1108-023	Marina Ops Reserves					

  

Resolution #	To Account	From Account	Description	Amount		Date of Transfer
4/1/2013	1102-001	1108-001	Replace Fitness Room Elliptical Machine	3,000.00		4/12/2013
4/2/2013	1102-001	1108-023	M Hillman - 25%	148.75	595.00	4/12/2013
4/2/2013	1102-001	1108-007	M Hillman - 75%	446.25		4/17/2013
5/16/2013	1102-001	1108-023	M Hillman - 25%	42.50	170.00	5/21/2013
5/16/2013	1102-001	1108-007	M Hillman - 75%	127.50		5/21/2013
6/1/2013	1102-001	1108-023	Marine Surveys and Assessments - 25%	435.62	1,742.50	6/20/2013
6/1/2013	1102-001	1108-007	Marine Surveys and Assessments- 75%	1,306.88		6/20/2013
6/2/2013	1102-001	1108-022	Double D Electric Replace two pump drivers	5,197.94		6/20/2013
7/1/2013	1102-001	1108-007	M Hillman - 75%	318.75	425.00	7/18/2013
7/1/2013	1102-001	1108-023	M Hillman - 25%	106.25		7/18/2013
8/1/2013	1102-001	1108-007	M Hillman - 75%	573.75	765.00	8/16/2013
8/1/2013	1102-001	1108-023	M Hillman - 25%	191.25		8/16/2013
9/1/2013	1102-001	1108-007	MC Squared \$3,500 & MW Hillman \$382.50 (75%)	2,911.87	3,882.50	9/13/2013
9/1/2013	1102-001	1108-023	MC Squared \$3,500 & MW Hillman \$382.50 (25%)	970.63		9/13/2013
10/1/2013	1102-001	1108-007	M Hillman - 75%	605.62	807.50	10/11/2013
10/1/2013	1102-001	1108-023	M Hillman - 25%	201.88		10/11/2013
11/1/2013	1102-001	1108-007	M Hillman - 75%	318.25	425.00	11/15/2013
11/1/2013	1102-001	1108-023	M Hillman - 25%	106.75		11/15/2013
12/1/2013	1102-001	1108-007	M Hillman - 75%	1,051.87	1,402.50	12/13/2013
12/1/2013	1102-001	1108-023	M Hillman - 25%	350.63		12/13/2013

**RETURN ON INVESTMENT CALCULATIONS**

Average account balance	Ann'l earnings		calculated return on investment		
\$ 70,010	\$ 12	Wells Fargo acct #4708	0.017%	1107-001	General Ops Investment
\$ 227,127	\$ 168	Chase acct # 5161	0.074%	1108-007	Special Assessments
\$ 164,429	\$ 37	Wells Fargo acct # 5374	0.023%	1108-001	General Ops Reserves
\$ 249,000	\$ 1,192	Peninsula credit union various CDs combined	0.479%	1108-022	Water Ops Reserves
				1108-023	Marina Ops Reserves



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**Committee Reports**

**Pool Committee  
January 7, 2014**

Attendees: Rocky D'Acquisto, Chair; Robin Scherting; Mary Hilfer; Norma Lupkes; Leanne Ryan; Penny Jensen, Board Liaison; Art Burke, Manager;

Members of the committee expressed appreciation for the work that was done on the dressing rooms with the painting, repairing and updating that was done by Donnie and several volunteers. The trim and benches will be painted at a later date. The corner cabinet for the cleaning supplies has been ordered – a squeegee for the floors will also be ordered.

In Jim's absence there was no update on the current situation with the pool HVAC/humidity issue. Rocky will contact him in the near future on how to proceed with the project.

The chair reported that 3 different individuals with long-term leases at Cape George have inquired about usage of the pool. The Board has considered some rule changes around pool usage however, covenants have to be examined around this issue. Penny will do some investigation and communicate with Rocky immediately so that a possibility of being on the agenda for the next Study Session can be determined.

The issue of expanded uses for the pool was also discussed after a recent event involved a PT high school science class of 15 individuals using ROVs in the pool for a science project. The Board issued permission for this activity but has requested that the existing pool rules be reviewed. All committee members should come to the next meeting having reviewed these rules.

Holiday open swim hours were discussed as the Christmas and New Year federal holidays were in the middle of the week in 2013 and caused confusion on the part of families as to when they were allowed in for open swim. Rocky volunteered to have a larger sign of the hours made to be posted on the far outside door.

The Swimming Pool Committee will host an event as a fund raiser on March 15. It will be the annual St Patrick's Day event with dinner and a silent auction of donated items. Pool users will be contacted to support the event with assistance from the Social Club.

**Water Committee  
January 7, 2014**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water System Manager; and members Ed Skowyra, Scott James, and Thad Bickling.

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1. Greg provided the group with a Water Accountability Report through the month of November. The report shows that we are well over 90% in accounting for water pumped and water distributed.
2. Operations – Greg reported that one of the main meters at the pump station is malfunctioning and we have ordered a replacement.

The next meeting will be on **February 4, 2014** at 5 pm at the Office.

CAPE GEORGE COLONY CLUB  
SPECIAL BOARD OF TRUSTEES MEETING  
FEBRUARY 3, 2014  
1:00 PM

**President Richard Hilfer called the meeting to order at 1:02 p.m.**

A. Welcome

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

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

**Agenda Items**

Art Burke and Tike Hillman provided a status report on the marina seawall replacement project including possible changes to the scope of the contract. Tike will obtain bids from the contractor based upon the engineer's recommendations and discussion at today's meeting.

**Motion 1:** Karen Krug moved and Carol Wood seconded to move \$204,375 from Chase Bank Special Assessment account to the Kitsap Bank General Checking account and move \$68,125 from Peninsula Credit Union Marina Reserves to Kitsap General Checking account so funds are available to pay Orion. Passed 5/0

**Motion 2:** Karen Krug moved and Ray Pierson seconded to borrow \$92,650 from General Reserves as a loan for South Seawall with repayment from collected South Seawall Special Assessments funds over a two year period with non-compounded interest at 0.45% (2yr PCU CD rate) on the outstanding balance calculated at the end of each quarter. Passed 5/0

**Motion 3:** Karen Krug moved and Carol Wood seconded to move \$92,650 from Wells Fargo to Kitsap Bank general checking so that cash is available to write checks for this project. Passed 5/0

**Open Board Discussion**

An Emergency Board Meeting will be called tomorrow to review the bids on the recommended seawall changes and vote on the direction to take.

**Adjournment:** Michael Hinojos moved and Penny Jensen seconded to adjourn the meeting at 2:00 p.m. Passed 5/0

**Submitted by:**

**Approved by:**

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Carol Wood, Secretary

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Richard Hilfer, President

CAPE GEORGE COLONY CLUB  
EMERGENCY BOARD OF TRUSTEES MEETING  
FEBRUARY 4, 2014  
2:00 PM

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

A. Welcome

**Attendance:** Richard Hilfer, Carol Wood, Michael Hinojos, Penny Jensen and Ray Pierson

**Member Participation:** There was none at this time

**Action Items:**

Art Burke and Tike Hillman reviewed the seawall replacement project and outlined possible changes to the scope of the contract.

**Motion 1:** With reference to two letters from MC Squared and Orion dated February 4, 2014, Richard Hilfer moved and Penny Jensen seconded to authorize the change order in the amount of \$25,630 to place fill behind the north seawall, to not place fill behind the south seawall and to accept a credit for not putting in the anchor and slab as initially recommended, but no longer needed. Passed 4/0

**Announcements:**

A. Study Session – February 11, 2014 3:00 p.m.

B. Board Meeting – February 13, 2014 7:00 p.m.

**Adjournment:** Penny Jensen moved and Michael Hinojos seconded to adjourn the meeting at 2:22.  
Passed 4/0

**Submitted by:**

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Carol Wood, Secretary

**Approved by:**

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Richard Hilfer, President

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
FEBRUARY 13, 2014  
7:00 PM

**President Richard Hilfer called the meeting to order at 7:05 p.m.**

- A. Welcome
- B. The north and south seawall installations have been completed by the contractor. Fencing and zincs installation remain.
- C. There will be an Executive Session following the Board Meeting to discuss legal matters.

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

**Action on Minutes:** Carol Wood moved and Michael Hinojos seconded to approve the minutes of the January 16, 2014 Board Meeting. Passed 5/0

Carol Wood moved and Karen Krug seconded to approved the minutes of the February 3, 2014 Special Board Meeting, as amended. Passed 5/0

Carol Wood moved and Ray Pierson seconded to approved the minutes of the February 4, 2014 Emergency Board Meeting. Passed 5/0

**Membership Report:** Carol Wood reported

- David & Janell Walt purchased Lot 11, Division 2 Sunset Blvd from Robert Miller & Brenda Reimnitz

**Treasurer's Report**

**TREASURER'S REPORT  
As of January 31, 2014**

Financial statements for January 2014 are not yet finalized. While voiding an entry, unexpected balance adjustments occurred in eleven general ledger accounts. Staff is working with TOPS to correct this result and January statements should be available within a week.

**Financial Status of North and South Seawall Projects**

*Updated as of 02/13/2014 - VALUES SUBJECT TO CHANGE PENDING ALL FINAL INVOICES*

<b>SPECIAL ASSESSMENT FOR NORTH MARINA SEAWALL</b>		<i>Special Assessment</i>	<i>Marina Reserve</i>
		<i>Spend @75%</i>	<i>Spend @ 25%</i>
Total Special Assessment approved by Members	\$293,928		
Bad debt allowance plus write-offs thru 12/31/2013	(2,565)		
Total net Special Assessment (99.1% of Assessed)	\$291,363	\$291,363	
Maximum Marina Contribution (99.1% of \$100,000)	99,100	74.6%	\$99,100
<b>TOTAL Available North Seawall Project Funds</b>	<b>\$390,463</b>		25.4%
<i>Invoiced and paid thru 1/31/2014</i>		(\$19,639)	

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<b>Known invoices not yet paid (total thru 2/12/14):</b>				
Orion First Progress Billing (North Seawall)	(\$272,500)			
Orion Second Progress Billing (North Only)	(54,549)			
Zincs (North Only)	(700)			
Hillman Consulting (North Only)	(297)	(328,046)		
<b>ESTIMATED expenses not yet invoiced (total):</b>				
Hillman consulting (?)	(\$1,800)			
Mc2 engineering (?)	(2,000)			
Fencing for North (?)	(4,000)			
Misc. Costs (?)	(500)			
Sale of Rebar & Channel (??)	2,000	(6,300)		
ESTIMATED Total Project Costs at Completion		(\$353,985)	(\$265,489)	(\$88,496)
			75.0%	25.0%
<b>ESTIMATED BALANCES At North Project Completion</b>		<b>\$36,478</b>	<b>\$25,874</b>	<b>\$10,604</b>
ESTIMATED Portion from Special Assessment		\$25,874	ESTIMATED To be refunded to Members	
ESTIMATED Portion from Marina Reserve		\$10,604	ESTIMATED not needed to be drawn	

<b>SPECIAL ASSESSMENT FOR SOUTH MARINA SEAWALL</b>				
Total Special Assessment approved by Members		\$99,300		
Estimated uncollectibles		(900)		
<b>Total net Special Assessment</b>		<b>\$98,400</b>		
		100%		
<b>Invoiced and paid thru 1/31/2014</b>		<b>(\$0)</b>		
<b>Known invoices not yet paid (total thru 2/12/14):</b>				
Orion First Progress Billing (South Seawall)	(\$92,650)			
Zincs (South Only)	(500)	(93,150)		
<b>ESTIMATED expenses not yet invoiced (total):</b>				
Fencing for South (?)	(\$2,500)			
Misc. Costs (?)	(\$150)			
Interest Expense	(500)	(3,150)		
ESTIMATED Total Project Costs at Completion		(\$96,300)		
		100%		
<b>ESTIMATED BALANCE At South Project Completion</b>		<b>\$2,100</b>		
100% Portion from Special Assessment	\$2,100	ESTIMATED To be refunded to Members		

kck 02/13/14

### Manager's Report

Senior Bookkeeper Sally Lovell has completed preparing and distributing all W-2's and 1099 forms.

On February 6<sup>th</sup> the auditing firm of Cagianut & Co. met onsite with Treasurer Karen Krug, Senior Bookkeeper Sally Lovell, Office Administrator Sharon Mitchel and myself to initiate the audit of 2013

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
FEBRUARY 13, 2014  
7:00 PM

finances. This meeting had been preceded by the digital exchange of a large quantity of 2013 documents from Cape George to the auditing team. We look forward to receiving their draft report.

We received notification from the Washington State Department of Health that the Water System Plan has been approved. For those of you unfamiliar with this project, it was just getting underway when I first started working here 4 years ago. To all of you on the Water Committee that have played a role in this project, THANK YOU!!! The community is fortunate to have had your experience and patience to see this through to the end. A special thanks to Ed Skowyra and Larry Southwick for going above and beyond.

The Washington State Department of Health also approved the connection of Well #8 to the system. I have begun working with Water Manager Greg Rae and Donnie on the logistics to complete this project in the next two months.

The replacement of the north and south seawall is complete. Some additional work is still planned to landscape the area and provide safety barriers at each end, but the walls are in and look like they will last for at least 50 years. Congratulations to all of the community members who were a part of making this a possibility, especially the Marina Committee and Seawall Task Force members.

Office Administrator Sharon Mitchel provided the following updates and reports:

- Our new payment coupons show the amount to pay and also the late payment amount due. If you're paying early or within the 30 day grace period, you'll need to pay the top number. Over 40 homeowners who paid the January 1 assessment on time, paid the assessment plus the \$10 late fee. A reminder to deduct that overpayment from their April payment will be mailed in early March.
- Next assessments are due April 1. If members are unsure about how much they owe, they can call me. It is important to look at the coupon amount carefully when writing the checks. We have some accounts with small credits, others owe a little extra. We would like to get these cleaned up this quarter.
- We are in the process of mailing excess water invoices. Nineteen members used more than the allotted 91,250 gallons of water (avg 250 gallons per day) in 2013. Members who want to know more about their water usage can come by to look at the spreadsheet. They can also give me a call or send an e-mail.
- Two things about the clubhouse. Help us save energy -- please turn down the heat to 66 when you leave. Also, please be sure the north door and kitchen doors are closed/locked when you leave.
- Marina. For those who didn't submit 2013/2014 vessel registration, trailer registration and current insurance, please do so as soon as possible. Can't find your insurance policy? Have your insurance agent send us a "declaration page" which is probably the easiest way to handle this. Your insurance document needs to show your liability coverage. An insurance card isn't sufficient.

Miscellaneous projects taking place in the community include:

- Donnie has been working on resolving a number of leaks in the pipes at the pool. He has replaced some shutoffs, back flow devices, unions and connections that have been failing.

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- The Clubhouse received its annual tile floor strip and wax. Everyone who uses the Clubhouse is encouraged to not slide tables, chairs or other objects across the floor, as this removes the wax coating and makes the floor more difficult to keep clean.
- All heat pumps have had their annual servicing. One of the pools heat pumps has a bad compressor and estimates are being prepared along with investigation of the warranty on the pump.

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

- Complaint of exterior lights being allowed to burn 24 hours a day in the Colony.
- Complaint of dogs being allowed to bark for extended periods of time in the Village.
- Complaint of property maintenance issues in the Village.
- Report of low water pressure in the Village.
- Report of low water pressure in the Highlands.

#### **Committee Reports**

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

#### **Information Items**

- A. After further discussion it was determined that the Trustees did not wish to further pursue the recommendation of the Pool Committee to allow renters access to the swimming pool.
- B. The Trustees reviewed and discussed a draft letter prepared by Richard Hilfer requesting a legal opinion on the community's rights concerning private property maintenance rules. Revisions based on input will be prepared for final review and approval at the Board Meeting.
- C. The Trustees continued the discussion on a potential Building Regulation violation and set aside a decision until after further discussion in March.
- D. The Trustees discussed the requirement to update the reserve study by an outside professional this year. Once completed a funding plan should be prepared and presented to the membership for consideration.

#### **Member Participation**

There was no member participation

#### **New Business Action Items**

**Information Item:** Based on Mobilisa's representative's discussion at the study session, the manager was directed to renegotiate the contract with Mobilisa allowing them to place an additional communications disc on the Clubhouse.

**Motion 1:** Karen Krug moved and Ray Pierson seconded that as a result of completion of the exterior of the home at 41 North Palmer Drive on or before February 11, 2014 deadline established by Board motion in November 2013, and requested in a letter to the Board from the owner dated February 4,



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2014, that all fines associated with the exterior violation, assessed by Board motions in August 2013 and November 2013 be forgiven. Passed 5/0

**Motion 2:** Carol Wood moved and Michael Hinojos seconded to approve a member request to extend the deadline for obtaining an occupancy permit by 6 months at 41 N. Palmer Drive. Passed 5/0

**Motion 3:** Karen Krug moved and Ray Pierson seconded to approve Orion Invoice #09P00066 dated January 30, 2014 pertaining to the North Seawall in the amount of \$272,500 be paid from funds currently in the Kitsap operating account with \$204,375 of the amount charged against the North Seawall Special Assessment account and \$68,125 of the amount be charged against the Marina Reserve account and that it be noted on 02/03/2014 the Board approved transfers of stated funds from the Chase and Peninsula Credit Union respectively for such purpose; and further that Orion Invoice #09P00066-2 dated January 30, 2014 pertaining to the South Seawall in the amount of \$92,650 be paid from funds currently in the Kitsap operating account with the entire amount of the invoice charged against the South Seawall Special Assessment account and that it be noted that on 02/03/2014 the Board approved a transfer of stated funds from Wells Fargo for such purpose. Passed 5/0

**Motion 4:** Karen Krug moved and Mike Hinojos seconded that the Certification of Final Completion and all related required documents, from Orion Marine Group be accepted for the North Seawall Contract dated December 5, 2013 and the South Seawall Contract dated December 7, 2013 and further that Cape George Colony Club assumes full possession of both north and south seawalls per the terms of the respective contracts. Passed 5/0

**Motion 5:** Karen Krug moved and Mike Hinojos seconded that funds be transferred to Kitsap operating account from the North Seawall Special Assessment reserve account at Chase Bank in the amount of \$40,911.79 and from the Marina reserve account at Wells Fargo in the amount of \$13,637.26 for a total of transferred funds equaling \$54,549.05 to ensure that when Orion Invoice #09P00066-3 dated February 13, 2014 pertaining to the north seawall is approved that payment funds are immediately available. Passed 5/0

**Motion 6:** Karen Krug moved and Michael Hinojos seconded that Orion Invoice #09P00066-3 dated February 13, 2014 pertaining to the north seawall in the amount of \$54,549.05 be paid from funds in the Kitsap operating account and that it be noted that on 02/13/2014 the Board approved transfers of necessary stated funds from the respective reserve accounts. Passed 5/0

**Motion 7:** Michael Hinojos moved and Ray Pierson seconded to approved the expenditure of not to exceed \$700 for the installation of zinc anodes on the north seawall with funding to come from Marina Reserve account (25%) an North Seawall Special Assessment account (75%). Passed 5/0

**Motion 8:** Michael Hinojos moved and Penny Jensen seconded to approve the expenditure of not to exceed \$500 for the installation of zinc anodes on the south seawall with funding to come from South Seawall Special Assessment account. Passed 5/0

**Motion 9:** Penny Jensen moved and Michael Hinojos seconded to approve a request from the Harbormaster to permit variance to two boats (one owned by Mike Heckinger/Kris Easterday; the other owned by Gary Rossow/Georgette Semick) in excess of the 12 foot maximum width as specified in Cape George rule CP03 Marina Usage. Passed 5/0

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**Motion 10:** Carol Wood moved and Michael Hinojos seconded to approve an amendment to Cape George rule CP00 Card/Fob and Key Charges and Deposits as recommended by the Office Administrator. Passed 5/0

**Motion 11:** Karen Krug moved and Ray Pierson seconded that the Board adopt the changes to EMP 01, Personnel Policies and Employment Guidelines, as shown in the draft document submitted with the Study Session packet labeled pages 22/36 through 31/36. Passed 5/0

**Motion 12:** Richard Hilfer moved and Michael Hinojos seconded to approve Building Committee recommendation to extend the occupancy permit to August 1, 2014 at 41 Dennis Boulevard. Passed 4/1

**Motion 13:** Ray Pierson moved and Carol Wood seconded to approve Resolution No. 02-01-14 to transfer \$74.37 from Marina Reserves to General Checking account and \$223.13 from North Seawall Special Assessment account to General Checking account for the North Seawall Replacement Project, MW Hillman Consulting - \$297.50. Passed 5/0

**Motion 14:** Michael Hinojos moved and Ray Pierson seconded to approve 2 member requests for due date adjustments. Passed 5/0.

**Open Board Discussion:**

Richard Hilfer provided a second draft of our request for legal opinion on Private Property Maintenance Rules.

**Announcements:**

- A. Study Session – March 11, 2014, 3:00 p.m.
- B. Board Meeting – March 13, 2014, 7:00 p.m.

Michael Hinojos moved and Penny Jensen seconded that the Board adjourn to Executive Session at 7:38 p.m. to discuss legal matters. Passed 5/0

Ray Pierson moved and Michael Hinojos seconded to resume the Regular Board Meeting and to adjourn the Regular Board Meeting at 8:21 p.m. Passed 5/0

**Submitted by:**

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**Carol Wood, Secretary**

**Approved by:**

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**Richard Hilfer, President**

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
FEBRUARY 13, 2014  
7:00 PM  
Committee Reports**

**Marina Committee  
February 4, 2014**

Attendees: Cape George Manager Art Burke, Harbor Master Mac McDonald, Penny Jensen, John Hanks, Paul Happel, Bob Schlentner, Jack Scherting, Dwayne Nail, Scott James, and Ken Owen

The meeting was called to order at 11:00 am.

A Seawall update was presented. A motion was presented to the Marina Committee pertaining to the rock fill between the steel sheet pilings and the existing wood pilings for the north and south pilings of the marina. The motion is as follows:

"Do not fill the space between the existing pilings and the new steel sheet pilings on the south side entrance of the marina as it is not needed. Erect a proper barrier fence in the vicinity of the south piling wall to protect Cape George Residents and visitors from entering the area." No further discussion, Motion passed 9 to 0

Harbor Master Mac McDonald stated: All Marina expenditures must go through Mac McDonald or Tom Ramsey for anything pertaining to the marina. If an expenditure is turned in to the Cape George Office without approval, it will not be honored without the approval of Mac or Tom.

Meeting adjourned at 11:30 am

**Water Committee  
February 4, 2014**

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

1. Water System Plan (WSP) – we received written approval of our WSP from the Dept. of Health on Jan 29. Thanks to all that worked long and hard on this project, finally completed.

There is a sentence in the approval letter that says we have to submit another WSP by January 29, 2020. Because we have less than 1,000 connections (WAC 246-290-11(2)), we should be exempt from having to do a full WSP but do a lesser Small Water System Management Program (WAC 246-290-105). It should largely be just updating the numbers and resubmitting required portions of the current WSP. Larger systems have to resubmit a full WSP every six years.

This approved WSP is actually a compilation of several submittals over the course of the project, with the later information supplementing or replacing text or materials in the earlier versions. That complicates use of the document because you always have to determine which the final

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approved version is. We discussed recompiling the various versions into one single document and then running it all through the copier to make a pdf file of the entire approved WSP. That will make it easier for use and recordkeeping.

2. Water Rights – a copy of the approval letter was cc'd to the Dept. of Ecology and Art forwarded a copy to Bill Clarke, our water rights attorney. Bill will now work with DOE to get final approval of our water rights at 192 acre feet as stated in the DOH letter. Approval by DOH would seem to have included at least acknowledgment by DOE because they didn't object. But the letter specifically states that it does not guarantee approval by DOE so we still need closure on the water rights.
3. Well 8 – the approval by DOH includes approval for connecting Well 8 so we need to proceed directly to complete that connection. We (Greg and Donnie) will do the piping and pour the slab for the well house. The well house and electrical will be contracted. Flush the well first and take a water sample for testing before completing the connection that will include disconnection of Well 5.
4. Greg handed out a copy of his Water Accountability Report for 2013 which shows a low of 91% for the first meter cycle and the rest of the year at 96% or higher. The minimum standard is 90%. The report shows the total amount pumped as measured on the well meters, the amount used for backwashing the filter system, and the total amount that was measured on the customer meters. Any difference is called 'unaccounted for' which would indicate breaks, leaks or other unmeasured water losses. Above 90% is considered satisfactory, less than 90% can mean you need to take action to locate the point or cause of the additional loss.
5. Greg said that we need to do some work on the backwash cycle of the filter system. He has called ATEC, the system manufacturer, who said that the control valves should be operating on air pressure while we have them operating on water pressure. We need to convert it by adding a small air compressor and changing the piping to the valve operators. Donnie has to do it manually until we get the conversion done.

Greg also reported that we've been having some problems with the booster pump meters that control the pressure zone above the tank site. It should run off of pressure differential and we may want to convert it to a programmable logic controller (PLC).

We had a piping bend pull apart in the water filter system that required shutting down the water system but that only affected the pressure system customers because the rest are fed by gravity from the reservoir tanks. They installed some temporary blocking but that needs to be replaced with permanent blocking or otherwise restraining the fittings.

The next meeting will be on **March 4, 2014 at 5 pm at the Office.**

**Workshop Committee**

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
FEBRUARY 13, 2014  
7:00 PM

**February 4, 2014**

Attendees: Cape George Manager Art Burke, Harbor Master Mac McDonald, Penny Jensen, John Hanks, Paul Happel, Bob Schlentner, Jack Scherting, Dwayne Nail Scott James and Ken Owen

The meeting was called to order at 11:30 a.m.

A motion was called by Ken Owen as follows: Alterations to the workshop either cosmetic, structural or any other construction interior or exterior shall be brought before the committee and voted on prior to any action taken. No further discussion, motion passed 9 to 0.

John Hanks made a motion as follows: Construct a floor mounted electrical stanchion to handle all of the major floor equipment in the shop. This action will save money by moving most of the equipment to 220 volt instead of the current 120 volt situation. Discussion centered on John providing a schematic drawing and cost of the project. The motion passed 9 to 0.

Ken Owen stated that a problem is occurring where people are dropping off paint, thinners and other liquid materials at the back of the shop. The proposal is to have a sign made that states "Do not drop off paints, solvents or other hazardous materials. Please dispose of properly at designated Jefferson County disposal sites" No further discussion, Motion passed 9 to 0.

Meeting was adjourned at 11:59 a.m.

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING**

**March 13, 2014**

**7:00 PM**

**President Richard Hilfer called the meeting to order at 7:05 p.m.**

- A. Welcome
- B. Three Trustee terms will be coming to an end in 2014. The Nominating Committee has begun the process of recruiting members interested in serving a term as a Trustee. Those elected will serve a three year term of service.

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

**Action on Minutes** –Carol Wood moved and Michael Hinojos seconded to approve the February 13, 2014 Board Meeting minutes. Passed 6/0

**Membership Report** –Carol Wood

- Steve & Lori Kraght purchased 610 Saddle Drive from Jeffrey Stoneman and Suzanne DeMasso
- Joseph & Carole Platt purchased 65 Huckleberry and Lot 19-6 Huckleberry from Lawrence & Rita McLawhorn

**Treasurer's Report** – Karen Krug

**TREASURER'S REPORT  
As of February 28, 2014**

**2013 Audit Results:**

The formal audit is prepared on a full accrual basis using complete fund accounting principals. As a result, audit documents show depreciation expense, a non-cash item, while the internally issued statements never have. The audit does not show a separation into the cost centers, General, Water and Marina, where the internally issued statements do. Finally, the audit shows total separation of operations from reserve activities where the internally issued statements never have.

The audit for the year ending December 31, 2013 has been completed and draft audit documents, reports on internal control and the 1120-H tax return have been received from Cagianut & Company (C&C). This year's audit went very smoothly due in large measure to the advance preparation and effort of the Cape George staff. This year's observations regarding internal control were limited to a suggestion that the write-off authority and process with respect to certain uncollectible amounts be further clarified.

There were only two adjustments suggested by the auditors. The first a reclassification of \$6 in interest income from Operations to Reserves, which is actually a 2012 adjustment that was missed when Cape George booked the 2012 adjustments. The second audit adjustment is the reduction in 2013 Federal tax liability of \$367.00. During 2013, quarterly payments were made to the IRS and once the audit was completed and the 2013 return prepared, it was determined that the 2013 liability was lower than the 2012 liability. Differences in actual payments and year end tax liabilities are not unusual. The net operational impacts of the adjustments is \$361 with the allocations as shown below.

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
March 13, 2014  
7:00 PM**

	<b>General</b>	<b>Water</b>	<b>Marina</b>	<b>Total</b>	
2013 Pre-Audit Close (MC)	<b>\$30,909</b>	<b>\$46,276</b>	<b>\$16,895</b>	<b>\$94,080</b>	
Minimum Budgeted Transfer	<u>12,956</u>	<u>46,635</u>	<u>6,630</u>	<u>66,221</u>	Funds transferred December 2013
Remaining 2013 Transfer	\$17,953	-\$359	\$10,265	\$27,859	
Adjustment	-\$359	\$359	\$0	0	
Audit Interest adjustment	(6)	0	0	(6)	
Audit Federal tax adjustment	<u>184</u>	<u>0</u>	<u>183</u>	<u>367</u>	
<b>Final 2013 Post-Audit</b>	<b><u>\$17,772</u></b>	<b><u>\$0</u></b>	<b><u>\$10,448</u></b>	<b><u>\$28,220</u></b>	Transfer to be made in April 2014

**2014 Balance Sheet comments:**

Cash and cash equivalents are detailed in the accompanying Balance Sheet. All bank accounts have been reconciled and there have been no banking accounts opened or closed during the month.

The decrease in total cash is largely the result of decreases in the North and South Seawall reserve accounts. Since invoices were due prior to the South Seawall reserve funds being collected, it was necessary for that reserve to borrow funds from the General Reserve account. The loan of \$92,650 is shown as both a receivable and a payable and will remain on the balance sheet until fully paid, within two years, with interest.

General receivables appear much lower than the prior year but this is due to the change from trimester billing to quarterly billing. This same change is impacting the comparison in Unearned revenue accounts.

There is also an advance payment on an antenna rental agreement and this incorrectly being shown as a negative receivable of (\$1,716) rather than as Unearned Revenue which makes receivables seem atypically low. This misrecording will be corrected in March.

**2014 Income Statement comments:**

On a combined basis, operations for the first two months of the fiscal year are slightly ahead of budget due almost entirely to the Member approval of the Berm project. At the time the budget was prepared, it was not known if the Members would approve this special assessment so it was not shown in the budget. Unlike either the North or South Seawalls, the Berm assessment is being shown as quarterly payments are due since collections will not cross fiscal years.

**SPECIAL ASSESSMENT FOR NORTH MARINA SEAWALL - Collection and Expenditure Information**

Total Special Assessment approved by Members	<b>\$293,928</b>	Cash collected thru 02/28/2014	<b>\$291,297</b>
662 equivalent lots @ \$444 each		Net anticipated Receivable collections	<b>66</b>
Bad debts written-off & allowance thru 02/28/2014	<b>(2,565)</b>	Calculated Special Assessment	<b><u>\$291,363</u></b>
Expected Net Special Assessment	<b><u>\$291,363</u></b> (1)		
<b>Special Assessment Cash Balance:</b>		<b>Marina Reserve Contribution:</b>	
Cash collections through 02/28/2014	\$291,307	Total (99.1% of \$100,000)	\$99,100 (1)
Plus: All years Interest income (2012,2013,2014)	454	Less: Actual draws (thru 02/28/14)	<b>(86,632)</b> (2)
Less: Actual draws for expenses (02/28/14)	<b>(260,057)</b> (2)	Expenditures not yet drawn(2/28/14)	<b>(1,094)</b> (2)
Expenditures not yet drawn (02/28/14)	<b>(3,282)</b> (2)	Maximum Contribution Remaining	<b><u>\$11,374</u></b> (4)
Net Cash In Special Assessment Account	<b><u>\$31,704</u></b> (3)		
GL Balance (1108-007 + \$90) 02/28/20143	<b><u>\$31,704</u></b>	GL Balance (1108-003) 02/28/13	<b><u>\$7,288</u></b>

**NOTES:**

- (1) Only 99.1% of assessed amount is anticipated to be collected, therefore the maximum Marina contribution has been reduced accordingly.
- (2) Total preliminary project costs to date are \$351,064 (CIP-#1491-001). There will be additional expenses before the project is complete.
- (3) It is likely that the entire project will be less than budgeted and therefore some of these funds will be remitted to Members.
- (4) It is likely that the entire project will be less than budgeted and therefore the Marina will not need to contribute some of these funds.

kck 01/16/14

**Manager's Report – Art Burke**

Water Committee Chair Larry Southwick has completed the compilation of the Water System Plans multiple drafts into one document. He then scanned the entire document into a digital format and organized the individual files for storage in a few safe locations. Thanks to Larry for all of his great work.

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A portable water meter has been purchased to measure water usage during flushing operations. We are anticipating line flushing to take place later this year. Announcements will be posted prior to this getting underway.

Miscellaneous projects taking place in the community include:

Roadway edge cutting has begun and will continue as time allows for the next couple of months. Minor renovations are underway at the outdoor access restroom at the corner of the pool building. Improvements include: painting, tile floor, light fixture replacement, mirror installation, and toilet replacement.

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

- Complaint of exterior lights being allowed to burn 24 hours a day in the Village.

### **Committee Reports**

The following committee reports were submitted to the Board of Trustees: Building, Pool (February & March reports), Seawall Task Force, and Water. The reports are attached to these minutes and incorporated by reference.

### **Information Items**

Richard Hilfer announced that all of the requested governing documents had been submitted to the law firm of Barker Martin, P.S. to prepare a legal opinion regarding private property maintenance regulation powers of the corporation.

### **Member Participation**

There was no member participation at this time

### **New Business Agenda Items**

**Motion 1:** Ross Anderson moved and Karen Krug seconded to require owners of the property at 41 Dennis Blvd. to provide the Office and Building Committee with a copy of up-to-date approved Jefferson County building and site plan(s), reflecting as-built modifications that have taken place since earlier permits dating, no later than May 1, 2014. Passed 6/0

**Motion 2:** Michael Hinojos moved and Penny Jensen seconded to approve a contract with Reserve Data Analysis to conduct a full onsite inspection update to the reserve analysis study in the amount of \$3,840. Passed 6/0

**Motion 3:** Penny Jensen moved and Michael Hinojos seconded to approve the expenditure of not to exceed \$1,100 for materials and installation costs of a post and cable barrier on the north seawall with



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funding to come from Marina Reserve account (25%) and North Seawall Special Assessment account (75%). Passed 6/0

**Motion 4:** Carol Wood moved and Penny Jensen seconded to approve the expenditure of not to exceed \$2,400 for materials and installation of large rock at the west end of the north seawall with funding to come from Marina Reserve account (25%) and North Seawall Special Assessment account (75%). Passed 6/0

**Motion 5:** Karen Krug moved and Michael Hinojos seconded to approve backfilling the South seawall to close the gap between the old and new seawall at a cost not to exceed \$5400 and to erect a fence, not to exceed \$700, the placement location to be determined. Passed 6/0

**Motion 6:** Karen Krug moved and Michael Hinojos seconded that the Board of Trustees formally adopt the 2013 audit as presented by Cagianut and Company and dated February 26, 2014, with the final identical to the current draft form with the removal of all references to field inspection occurring in the Supplemental Information section. Passed 6/0

**Motion 7:** Karen Krug moved and Ross Anderson seconded that the Board of Trustees adopt and authorize the appropriate Corporate Officer to sign the 2013 Federal 1120-H tax return as prepared by Cagianut and Company showing a total tax of \$553 but a refund due of \$367 which is elected to be credited to offset potential 2014 taxes that once signed, said return be mailed no later than Friday, March 14, 2014. Passed 6/0

**Motion 8:** Karen Krug moved and Penny Jensen seconded that the Board of Trustees adopt and authorize the appropriate Corporate Officer(s) to sign, the 2013 Letter of Representation, the 2013 Post Balance Sheet Audit Inquiry and the 2013 Legal Representation Letter. Passed 6/0

**Motion 9:** Penny Jensen moved and Ray Pierson seconded to approve the proposed 2014 Clubhouse blackout dates as presented. Passed 6/0

**Motion 10:** Ray Pierson moved and Karen Krug seconded to approve Resolution No. 03-01-14 to transfer \$797.75 from Marina Reserves (25% of total) to General Checking Account and \$2393.24 from the North Seawall Replacement Project (75% of total) to General Checking Account for the North Seawall Replacement Project, MW Hillman Consulting -\$1980.00, Karp Legal Services-\$242.00, Hadlock Building Supply-\$158.09, Henery Hardware-\$60.90, MC Squared-\$750.00

**Motion 11:** Ray Pierson moved and Penny Jensen seconded to approve Resolution 03-02-14 to transfer \$400.00 from the South Seawall Special Assessment Account to General Checking Account for the South Seawall Replacement Project, MW Hillman-\$400.00. Passed 6/0

**Open Board Discussion**

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There was no discussion

**Announcements**

- Study Session – April 8, 2014, 3:00 P.M.
- Board Meeting – April 10, 2014, 7:00 P.M.

Michael Hinojos moved and Ray Pierson seconded to adjourn the regular meeting to Executive Session at 7:40 for the purpose of discussing a legal matter. Passed 6/0

Karen Krug moved and Ray Pierson seconded to resume the Regular Board Meeting and adjourn the Regular Board meeting at 8:14 p.m. Passed 6/0

**Submitted by:**

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**Carol Wood, Secretary**

**Approved by:**

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**Richard Hilfer, President**

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**BUILDING COMMITTEE**  
**February 28, 2014**

*Building Permits Issued:*

Brad Seamans & Kirsten Campbell: 40 Quilcene Place  
Move a shed from 37 Quilcene Place onto their property.

*Previewed Building Plans:*

James Bodkin: 92 W Vancouver Dr, Colony  
Previewed plans to build an addition above his garage. His plans meet Cape George regulations. He will need to get his county permit then return to us to sign his applications.

**POOL COMMITTEE**  
**February 4, 2014**

**ATTENDEES:** Rocky D'Acquisto, Chair; Penny Jensen, Board Liaison; Jim Fling; Mary Hilfer; Norma Lupkes; Leanne Ryan; and Robin Scherting.

Opening the use of the pool to renters and those with long-term leases was again discussed and will be put on hold during consideration by the Board .

The Pool Committee/pool users will be hosting the St Patrick's Day Irish Dinner on March 15 at 6:00 at the clubhouse. Robin Scherting and Leanne Ryan will co-chair the fund-raising event for the pool fund. Irish stew, bread, salad, dessert and beer will be served. The cost will be \$10 per person - tickets to be purchased at the office. A silent auction will be held and the Unknown Fiddlers will provide their wonderful music throughout the evening. Committee members and pool users will supply the baskets/items for the auction.

Jim Fling addressed the ongoing HVAC/humidity issue and will again pursue the vendors for the numbers to secure the future dehumidification project for a proposal to the Board in the Spring.

Pool rules were discussed and it was determined that **exceptions** to those rules would have to be obtained based upon the nature of the single event.

The suggestion was made to store the clean shower curtains in the new storage cabinet for those "frequent pool users who chose to do so" to replace the soiled ones and take them home to launder.

***Updates from Art who was unable to attend the meeting:***

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(1) The cleaning supply storage cabinet has been purchased and installed for the frequent pool users to assist in the everyday cleaning of the dressing rooms. It has not been stocked yet and will let the users know when everything has arrived. (2) The pool was closed for 3 days while Donnie was resolving a leak in the pipes leading from the skimmers. He replaced a number of shutoffs, back flow devices, unions and connections that had been failing. During that closure time Norma finished up the trim painting in the changing rooms. The next time done there check it out, they look so nice. Thanks Norma! (3) Peninsula Heating did the annual servicing of the heat pumps and also checked a low pressure message on one of the units. The report was that a compressor failed and he is working on an estimate for replacing the part. Adjustments have been made to the exiting unit to keep the water temperature in the target range. A price on replacing the digital readout panels on both heat pumps which are failing has also been requested.

**POOL COMMITTEE  
March 4, 2014**

Attendees: Rocky D'Acquisto, Chair; Art Burke, Manager; Penny Jensen, Board Liaison; Jim Fling; Norma Lupkes; Leanne Ryan; Robin Scherting and Sandy Smith

The annual St Patrick's Day event with dinner and a silent auction of donated items hosted by Swimming Pool Committee on March 15 at 6:00 was discussed. The Unknown Fiddlers Group will entertain with Irish music for 1.5 hours at the event. Robin and Leanne will chair the event which will feature authentic Irish stew, Breads, Salad, Dessert and beer. The cost will be \$10 per person and will include 2 beers for each ticket. Mary and Norma will run the silent auction and provide the bid sheets. Volunteers are asked to be at the clubhouse at 9:30 on Sat. morning to start the preparations.

The corner cabinet for the cleaning supplies has been installed and stocked with cleaning products and a hose and squeegee for the floors.

The current situation with the pool HVAC/humidity project was discussed and Art announced he will be taking the lead on the project with Rocky assisting as preparation is made for the 2015 budget planning. Initial contact has been made with equipment vendors including Air Reps a company out of Bellevue. The manufacturing rep will visit next week and do a walk-through of the pool building. Jim has data developed during the past proposal which he will forward to Art. The target date of preparation for the budget will be August 2014.

The inside entry door to the pool has delaminated and has been reported to be sticking open. Donnie will check on repairs or replacement of the door. The alarmed doors on the east side of the building continue to have issues and the alarms will be replaced and activated.

A routine check of the pool heating system revealed that one of the compressors on the heat pump has not been functioning. It was determined to be under warranty and is being replaced tomorrow.

Rocky has installed a larger sign of the pool hours on the outside entry door to the pool.

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**SEAWALL TASK FORCE  
March 11, 2014**

**Cape George Seawall Task Force Members:**

Bruce Candioto, Chair	379- 2563	<a href="mailto:brucandi@cablespeed.com">brucandi@cablespeed.com</a>
John Hanks	379- 6572	<a href="mailto:johnthanks@q.com">johnthanks@q.com</a>
Paul Happel	379- 9119	<a href="mailto:paul_happel_9@msn.com">paul_happel_9@msn.com</a>
Gary Rossow	531- 2737	<a href="mailto:rossowgary@yahoo.com">rossowgary@yahoo.com</a>
Mike Heckinger	206- 459- 2233	<a href="mailto:mike@wcinsulation.com">mike@wcinsulation.com</a>
Dick Poole	379- 4173	<a href="mailto:poolericharde@msn.com">poolericharde@msn.com</a>
Ben Fellows	379- 4109	<a href="mailto:fellowship@olypen.com">fellowship@olypen.com</a>

The meeting was called to order at 11:00 am by Bruce. Present were Bruce, John Hanks, Paul Happel, and Dick Poole.

The Task Force met at the seawalls, both north and south, on a glorious late winter day to discuss the fencing options presented by Paul and John. A motion was passed unanimously to recommend that the Cape George BOT accept the post and cable fencing option for the north seawall. For the south seawall, costs aside, it was concluded that the preferred option would be filling of the dangerous gap that exists between the new sheet pilings and the old wooden pilings. The second choice would be bridging this gap with "hog panel" heavy 4"x4" galvanized mesh. The meeting was adjourned at 11:40 am.

**WATER ADVISORY COMMITTEE  
March 4, 2014**

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

1. Water System Plan (WSP) – as discussed at the last meeting, the three volumes of documents that make up the WSP (original draft and two responses to DOH comments) have been compiled into one single volume and the entire volume has been scanned into a series of pdf files. The final paper document is 3 ½" thick and the pdf files are 84mb. The pdf is now on the office computer system for permanent record and safe keeping. Art is now going to communicate to thank Bob Leach for his work and that the project is now closed.
2. Water Rights – Art talked to Bill Clarke, our attorney for dealing with DOE on water rights. Bill confirmed that DOE now has all that is needed to complete the process but that they are processing water rights cases in batches. He expects our approval in a few months.

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3. Well 8 – the parts have been ordered for connecting Well 8. After they arrive, Donnie can prepare and place the concrete slab for the well house. Then the structure can be built and the wiring done.
4. As discussed at the last meeting, a small air compressor was purchased and installed to operate the water filter system valves that used to operate on water pressure. It's now completed and operating as planned.
5. Greg updated us on the issues with the booster pump controls and recommended that we convert that entire control system to a PLC (programmable logic controller) or mini-computer. Stew has several PLC's at home and will work with Greg to see what that would take. Ed is also very familiar with PLC's and their programming. PLC's are used for operating mechanical and manufacturing processes.
6. Some time ago, we had a 'soft starter' installed on Well 5 and that will be moved to new Well 8. Well 4 has a soft starter but we need to add one for Well 6. Art will get a price quote for it.
7. We have purchased a new water meter for use during water main flushing and Greg has taken back the one that we have borrowed from him. It has threaded fittings so it can be connected in the field with fire hoses. We need to keep track of water used for flushing for our water use efficiency reporting.
8. Stew provided a copy of his water usage report for January. Total users are 524, of those 382 are considered active users with over 30 gallons per day (gpd). Three show very high use, over 500 gpd and 10 averaged between 250 and 500. 250 gpd is the average volume that we include in the basic water use fee. The average use by active users was 109 gpd. There were 12 leak reports which is a relatively low percentage and most of those were low volume. Stew said that there are a few that show up on the leak list every cycle and aren't responding to repairs. We discussed ways we might be able to better encourage or help people to fix leaks because there may be little incentive for possibly expensive repairs. That's another element of our water use efficiency program.

The next meeting will be on April 1, 2014 at 5 pm at the Office.

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**President Richard Hilfer called the meeting to order at 7:03 p.m.**

- A. Welcome
- B. Three Trustee terms will be coming to an end in 2014. The Nominating Committee has begun the process of recruiting members interested in serving a term as Trustee. Those elected will serve a three year term of service. The deadline for applications is May, 15, 2014.

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

**Action on Minutes:** Carol Wood moved and Michael Hinojos seconded to approve the Minutes of the Regular Board Meeting, March 13, 2014. Passed 6/0

**Membership Report – Carol Wood**

- Property at 30 Maple Drive was transferred to James T. Gibbons by the Trustee of the James H. & Norine Gibbons Trust

**Treasurer's Report – Karen Krug**

**TREASURER'S REPORT  
As of March 31, 2014**

**2014 Balance Sheet:**

Cash accounts are detailed on the following page. All bank accounts have been reconciled and no accounts have been opened or closed during the month.

Total cash and cash equivalents are about \$200,000 lower than this time last year with half of the decrease due to the payment of nearly all the expenses associated with the North and South Seawalls. In order to pay the bills for the South seawall it was necessary to borrow funds from the General Reserve and that loan is shown as a receivable of \$92,650. First quarter 2014 south seawall collections of \$22,168 will be 'paid-back' to the General Reserve in April with interest due added to the outstanding receivable.

All other balance sheet accounts are as would be expected at the end of the first quarter.

**2014 Income Statement comments:**

**General operations (YTD)** appear to be nearly \$13,000 better than the budget target but the budget did not include any provision for the Berm assessment since its approval was not assured at the time of budget preparation. Utilities are running a bit higher than budget due almost entirely to higher costs associated with the January and February cold weather. Repairs are also running higher than budget due in large part to swimming pool pump repairs.

**Water operations (YTD)** are performing slightly better than budget due mostly to lower than budgeted labor costs. Some of this favorable variance is a result of timing differences (actual to budget) and will decrease as the year progresses.

**Marina operations (YTD)** are nearly identical to budget for the first quarter. Timing differences in labor (actual to budget) coupled with federal tax benefits (2012 and 2014) are offsetting the increased utility costs.

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**North Seawall Financial Update:**

There have been no material North Seawall transactions since the last report so the detailed update will not be presented here. As with the previous update, it appears the total North Seawall project costs will be around \$355,000 with approximately \$266,000 coming from the Special Assessment and the remaining \$89,000 from Marina Reserve Funds. Approximately \$351,000 has already been paid on project invoices so draws are nearly complete. It does appear that a refund will be due Members on the Special Assessment but the actual amount will not be finalized until mid-June when all project bills have been settled.

**Final 2013 Excess Cash Transfer:**

As presented in the February Treasurer's report, the 2013 audit has been completed and so final transfers of excess cash can be made from operating cash accounts into the respective reserve accounts.

	<b>General</b>	<b>Water</b>	<b>Marina</b>	<b>Total</b>
2013 Pre-Audit Close (MC)	<b>\$30,909</b>	<b>\$46,276</b>	<b>\$16,895</b>	<b>\$94,080</b>
2013 Audit Adjustments	\$178		\$183	\$361
Final 2013 Audited Balances	<b>\$31,087</b>	<b>\$46,276</b>	<b>\$17,078</b>	<b>\$94,441</b>
Partial 2013 Transfer made in December 2013	(12,956)	(46,635)	(6,630)	(66,221)
Adjustment for Water Shortfall	(359)	359		0
Maximum Remaining for Extra Transfer	\$17,772	\$0	\$10,448	\$28,220
<b>Recommended Transfer</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$10,448</u></b>	<b><u>(\$10,448)</u></b>

There are two reasons that additional transfers from General Operations into General Reserve are not being recommended. The first is tied to the Cash Correction that occurred in May 2013. At that time it was shown that there was a shortfall in operating cash of approximately \$118,000. Detailed analysis enabled \$88,000 in corrections to be made leaving a shortfall (needing future year's funds to pay current year's bills) of about \$30,000. By not transferring the available \$17,772, over half of the remaining shortfall will be corrected.

The second is tied to a misunderstanding regarding an annual Member election. Each year the Members vote that if it is necessary to file an 1120 tax return under Section 277 of the IRS code then any excess funds are to be rolled over to offset the next year's assessment. As long as the corporation does not file an 1120 tax return but rather files an 1120-H (under Sec. 528), this election is not used. The election, based on Revenue Ruling 70-604 is, and always has been, a "just in case" measure. In the last two decades it has been used only twice, once in 2001 and again in 2009.

There is considerable misunderstanding regarding this election. Some Members think it is necessary to retain the HOA's tax-exempt status (Cape George is NOT a tax-exempt organization for Federal tax purposes). The sole purpose of this annual election is to provide a way, only if it should be necessary to file an 1120 return, to keep excess funds from being taxed at a federal level.

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**Balance Sheet as of March 31, 2014 and 2013**

<b>Assets</b>	<b>2014</b>	<b>2013</b>	<b>Liabilities and Fund Balances</b>	<b>2014</b>	<b>2013</b>
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 159,746	\$ 135,873	Accounts Payable & Other Liabilities	\$ 13,559	\$ 11,027
Operating Investment-Savings	70,024	31,500	Unearned Income General/Water/Etc.	102,626	47,384
Petty Cash (2 accounts)	600	600	Unearned Income Other	1,455	-
Reserves - General, Water & Marina	289,380	430,161	Unearned Income Marina Wait List	550	350
Special Reserves - S. Seawall & Berm	45,414	-	Due to General Reserve (Loan)	92,650	-
North Seawall Special Reserve	29,381	207,439	Total Current Liabilities	210,840	58,761
Total Cash & Equivalents	594,545	805,573	North Seawall Assessment Liability	293,928	293,928
Net Accounts Receivable	3,300	6,642	South Seawall Assessment Liability	99,300	-
Due from S. Seawall Reserve (Loan)	92,650	-			
Special Assessments Receivable	76,889	78,810	<b>FUND BALANCES:</b>		
Total Net Fixed Assets	1,826,537	1,477,458	Fund Balances (Combined)	1,926,417	1,924,204
Total Prepaid & Other Assets	13,728	12,217	Modified Cash Basis CY Income	77,164	103,807
<b>TOTAL ASSETS</b>	<b><u>\$2,607,649</u></b>	<b><u>\$2,380,700</u></b>	<b>Total Liabilities and Fund Balance</b>	<b><u>\$2,607,649</u></b>	<b><u>\$2,380,700</u></b>



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**Summary Revenue and Expense Statements for the periods ended December 31 (Modified Cash Basis)**

2014 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2014 YTD	2013 YTD	Variance	%
Revenue-General Assessmnt	\$ 68,848	\$ 68,848	-	0%	Revenue-General Assessmnt	\$ 68,848	\$ 88,284	\$ (19,436)	-22%
Revenue - All Other Sources	15,640	2,817	12,823	455%	Revenue - All Other Sources	15,640	2,226	13,414	603%
Total General Revenue	84,488	71,665	12,823		Total General Revenue	84,488	90,510	(6,022)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	30,075	34,395	4,320	13%	Salaries, Benefits, PR Tax	30,075	28,639	(1,436)	-5%
Repairs & Maintenance	5,589	4,412	(1,177)	-27%	Repairs & Maintenance	5,589	3,113	(2,476)	-80%
Contracted Services	11,145	13,430	2,285	17%	Contracted Services	11,145	13,754	2,609	19%
Insurance	5,636	5,914	278	5%	Insurance	5,636	6,765	1,129	17%
Pool expenses	9,936	6,950	(2,986)	-43%	Pool expenses	9,936	4,105	(5,831)	-142%
Other Expenses (incl taxes)	8,557	5,713	(2,844)	-50%	Other Expenses (incl taxes)	8,557	(1,555)	(10,110)	650%
Total General Expenses	70,938	70,814	(124)		Total General Expenses	70,938	54,821	(16,115)	
<b>General Net Income</b>	<b>\$ 13,550</b>	<b>\$ 851</b>	<b>\$ 12,699</b>	1492%	<b>General Net Income</b>	<b>\$ 13,550</b>	<b>\$ 35,689</b>	<b>\$ (22,139)</b>	-62%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 45,810	\$ 45,720	\$ 90	0%	Revenue - Water Use Fees	\$ 45,810	\$ 60,600	\$ (14,790)	0%
Revenue - All Other Sources	1,703	2,000	(297)	-15%	Revenue - All Other Sources	1,703	1,909	(206)	-11%
Total Water Revenue	47,513	47,720	(207)		Total Water Revenue	47,513	62,509	(14,996)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	13,319	15,538	2,219	14%	Salaries, Benefits, PR Tax	13,319	14,179	860	6%
Repairs & Maintenance	1,526	1,420	(106)	-7%	Repairs & Maintenance	1,526	2,370	844	36%
Contracted Services	4,463	4,266	(197)	-5%	Contracted Services	4,463	15,458	10,995	71%
Insurance	3,511	3,212	(299)	-9%	Insurance	3,511	2,382	(1,129)	-47%
Other Expenses (incl taxes)	7,513	9,007	1,494	17%	Other Expenses (incl taxes)	7,513	7,307	(206)	-3%
Total Water Expenses	30,332	33,443	3,111		Total Water Expenses	30,332	41,696	11,364	
<b>Water Net Income</b>	<b>\$ 17,181</b>	<b>\$ 14,277</b>	<b>\$ 2,904</b>	20%	<b>Water Net Income</b>	<b>\$ 17,181</b>	<b>\$ 20,813</b>	<b>\$ (3,632)</b>	-17%
<b>Marina</b>					<b>Marina</b>				
Revenue - Marina Moorage	\$ 42,958	\$ 42,250	\$ 708	0%	Revenue - Marina Moorage	\$ 42,958	\$ 42,231	\$ 727	0%
Revenue - All Other Sources	11,824	12,260	\$ (436)	-4%	Revenue - All Other Sources	11,824	11,414	410	4%
Total Marina Revenue	54,782	54,510	272		Total Marina Revenue	54,782	53,645	1,137	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	2,677	3,549	872	25%	Salaries, Benefits, PR Tax	2,677	2,665	(12)	0%
Repairs & Maintenance	537	395	(142)	-36%	Repairs & Maintenance	537	368	1,764	-46%
Contracted Services	687	1,047	360	34%	Contracted Services	687	1,440	753	52%
Insurance	1,119	1,625	506	31%	Insurance	1,119	381	(738)	-194%
Other Expenses (incl taxes)	3,509	2,460	(1,049)	-43%	Other Expenses (incl taxes)	3,509	1,936	(1,573)	-81%
Total Marina Expenses	8,529	9,076	547		Total Marina Expenses	8,529	6,790	194	
<b>Marina Net Income</b>	<b>\$ 46,253</b>	<b>\$ 45,434</b>	<b>\$ 819</b>	2%	<b>Marina Net Income</b>	<b>\$ 46,253</b>	<b>\$ 46,855</b>	<b>\$ (602)</b>	-1%
Interest Income - Reserves	180	-	(180)		Interest Income - Reserves	180	451	(271)	-60%
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 77,165</b>	<b>\$ 60,562</b>	<b>\$ 16,242</b>	27%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 77,165</b>	<b>\$ 103,808</b>	<b>\$ (26,644)</b>	-26%

\*\*Modified Cash Basis, Excludes Depreciation

KCK 01/16/14

## Manager's Report

On 3/25 it was discovered that a late night party had apparently taken place at the fire ring north of the Clubhouse. In addition to a large number of beer cans being left in the fire ring, the garden hose reel was torn off the picnic shelter and placed in the fire ring. A couple of members contacted the next day recalled seeing a group of approximately 6 young males at the fire ring area after dark.

The office computers have gone through a system upgrade as a result of the Windows XP operating system no longer being supported. The majority of our hardware and software was moved to Windows 7 without too much difficulty. We are continuing to work the remaining "bugs" out of the system.

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I have begun to meet with HVAC engineering contractors to develop a project scope for the replacement of the pool dehumidification system. I am anticipating being able to provide the Trustees with a project scope and cost estimate from two contractors by early summer.

The Clubhouse piano received its' biennial tuning.

I attended the annual Community Association Institute Law Day in Tacoma. As always, there were great speakers providing a wealth of information on common interest association topics.

We received the report of members using the pool life rings as flotation devices for their children who could not swim. Pool life rings should only be used in an emergency. Children who cannot swim should be fitted with appropriately sized personal flotation devices and also be well supervised at all times.

Miscellaneous projects taking place in the community include:

- Work is underway at connecting Well #8 into the water system.
- A pipe from well #6 broke and required emergency repairs. A water conservation email went out to the community while repairs were underway.
- A tile floor was installed in the outside restroom of the Clubhouse/Pool Building.
- The mowing season has begun. All members should exercise caution as they approach mowing crews working along the side of the road.

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

- Complaint of unlicensed vehicle in the Village.
- Complaint of frogs making too much noise in the Colony.
- Complaint of dogs not being cleaned up after in the Colony.
- Complaint of vehicle being parked on common property for longer than 48 hours.
- Complaint concerning a violation of Member/Tenant Agreement.

### **Committee Reports**

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

### **Information Item:**

- A. Reserve Data Analysis has been contacted and will be in the community during the week of April 14<sup>th</sup> to begin the work of conducting an onsite update to the reserve study.

### **Member Participation:**

There was no member participation at this time.

### **New Business Action Items:**

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**Motion 1:** Karen Krug moved and Penny Jensen seconded to approve RESOLUTION #04-03-14 IRC SECTION 125 PREMIUM PLAN

**WHEREAS**, the Board of Trustees of Cape George Colony has determined that it would be in the best interests of its employees to adopt a "Section 125 Premium Only Plan" allowing for pre-taxed medical benefit coverage, so-called; be it known that a vote was taken, and all were in favor.

**RESOLVED**, that Cape George Colony Club adopted a so-called "Section 125 Premium Only Plan", all in accordance with the specifications annexed hereto; and, be it known that the "Cape George Colony Club Premium Only Plan" Document was executed April 11, 2014.

**RESOLVED FURTHER**, that the President and/or Manager of the Company undertake all actions necessary to implement and administer said plan.

The undersigned hereby certifies that he/she is the custodian of the books and records of Cape George Colony Club, a company duly formed pursuant to the laws of the State of Washington, and that the foregoing is a true record of a resolution duly adopted in accordance with state law and the Bylaws, if applicable, of Cape George Colony Club on April 11, 2014, and that said resolution is now in full force and effect without modification or rescission.

Resolution Passed 6/0

**Motion 2:** Based on the conclusion of the 2013 audit, the fact that an amount equal to the original 2013 budgeted cash excess was transferred into each of the three respective reserves in December 2013 (General=\$12,956; Water=\$46,635; Marina=\$6,630), the fact that there is still approximately a \$30,000 historical shortfall in operating cash funds and since the annual member election does not apply since in 2013 an 1120-H federal tax return was filed, Karen Krug moved and Ross Anderson seconded that an additional \$10,448 be transferred from operations checking to Marina Reserves and no other additional funds be transferred into either General Reserve or Water Reserve, leaving the remaining \$17,772 in 2013 excess in general operating checking. Passed 6/0

**Motion 3:** Penny Jensen moved and Carol Wood seconded to approve Resolution #04-01-14 to transfer \$600.00 from the South Seawall Special Assessment Account to General Checking Account for the South Seawall Replacement Project, MW Hillman Consulting-\$600. Passed 6/0

**Motion 4:** Michael Hinojos moved and Penny Jensen seconded to approve Resolution #04-02-14 to transfer \$296.25 from Marina Reserves to General Checking account and \$888.75 from North Seawall Special Assessment account to General Checking account for the North Seawall Replacement Project, MW Hillman Consulting - \$1,185.00. Passed 6/0

**Open Board Discussion:**

The status of the Property Maintenance legal opinion was discussed. It was concluded the firm needed additional time to fully answer the questions posed.

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**Announcements:**

- A. Study Session – May 13, 2014, 3:00 p.m.
- B. Board Meeting – May 15, 2014 7:00 p.m.

**Adjournment:**

Michael Hinojos moved and Ross Anderson seconded to adjourn the meeting at 7:40 p.m. Passed 6/0

**Submitted by:**

**Approved by:**

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Carol Wood, Secretary

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Richard Hilfer, President

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COMMITTEE REPORTS**

**BUILDING COMMITTEE REPORT  
April 7, 2014**

Open building permit status is the same.

Yleva Ljunberg, 151 Spruce Drive, has received an occupancy permit and will drop it off at the office this morning.

Two new earthwork permits

- Richard Hilfer , 21 Sequim Place
- Craig Muma, 360 Saddle Drive

**ENVIRONMENTAL COMMITTEE REPORT  
March 17, 2014**

**I. IN ATTENDANCE:** Art Burke, Gretchen Cooper, Betty Hanks, Penny Jensen, Norma Lupkes, Kitty Rucker, Robin Scherting, Steve Shapiro.

**II. CALL TO ORDER:** The meeting was called to order at 9:18.

**III. APPROVAL OF THE MINUTES:** Minutes of the December 9 were approved as corrected.

**IV. FINANCIAL REPORT:** There was a problem with the Financial Statement that I received for 02/28/14. The last statement that we received for 11/30/13 was for a total \$3,417.14. The statement for 02/28/14 was for \$3,480.54, after having deposits of an additional \$508. There were expenses during that time, but it should have been more than that. I met with Sharon yesterday for an hour to find out what the problem was. (Bless her heart; she spent a lot of time working on finding the problem) It turned out that \$204 had been entered twice. There was also a double entry of a \$50 donation. Because of this error, Sharon has figured out how to prevent this from happening again. Our total at this time is \$3,617.54. The problem is now that I have to go back into our budget sheet and figure out how much of our money is for the berm and how much is for our operating funds.

**V. OLD BUSINESS:**

**A. Berm Report:** Art reported that all of the paper work is done. The county says that they need about 6 months to review this. We have a restriction on doing any work on the shore until late August. So it looks like we will begin work on the berm in the Fall.

**B. Fund Raisers:** Kitty reported that we sold most of our pictures of the Olympics for Christmas. We have 2 left. We also sold most of our Protection Island books. There are 14 of them left. It was suggested that we bring the pictures and the books to the Salmon Fest and try to sell them there. We can also take orders for more if people want them.

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**C. Pancake Breakfast:** It had been suggested at our last meeting that we have another Pancake Breakfast in March. Kitty suggested that it was too late for March, but asked if the committee wanted to do it in April. The committee voted unanimously to not do a breakfast.

**D. Bee Population Speaker:** Betty had not been able to reach the speaker for further information. She will come with information for our April meeting.

**VI. NEW BUSINESS:**

**A. Burning Garbage:** A member complained that some members are burning garbage with plastic, etc. in their fireplaces or back yards. Kitty asked Art if there was a rule about this in the Rules and Regs. He said that there wasn't. He also said that the Board would probably not want to pass a rule about this. The committee suggested that we put an article in the newsletter emphasizing the danger to people with allergies or asthma. Art will also call the East Jefferson Fire and Rescue people to see if they might come out when there is a complaint to talk to the people about the danger of this practice.

**B. Poison Hemlock:** Art said that we will be spraying again this spring when the weather is better and the plants are emerging. There was a concern about poison hemlock at the Memorial Park. Kitty and Art will check it out and report back. Steve will be pulling areas that cannot be sprayed.

**C. Nominations for the Board:** Members gave Kitty 8 names of people whom they recommend for the Board. She will forward these to the Nominating Committee.

**D. Planting around the new seawall:** Steve recommended that we not plant plants that need maintenance there. Art said that the plan was to extend the shore grass and plants from the berm area around the point. This will be natural and won't require maintenance. Penny said that there was a new woman in the Marina Committee who would like to help when we get to this project.

**E. Damage to the high bank cliff:** Kitty asked if there was more damage to the cliff and beach while she was gone. Art said that most of the beach has been scoured of debris. There has been some more damage to the middle terrace area is all right, but the upper terrace has been eroded and could cause damage to the property above.

**F. Condemned house:** The bank has been out to examine the property to see if it could be moved. It probably can't because it is on a concrete slab. If the house or part of it should fall and hurt someone, the bank would be liable if they assume ownership. Now it would be the owners.

**G. Weeding the clubhouse area:** Steve will assume this job since there is no weeding to be done on the point near the new seawall.

**H. Beach Walk:** The committee voted to have the Beach Walk again this year. Kitty called the Marine Science Center and asked Chrissy McLean to set a date for us at an extreme low tide. She said that she will get back to us with a date this week.

**I. Barbecue Area:** Norma asked Art what the plans were for the BBQ and gazebo when the berm is installed. He suggested that instead of trying to move the cement slab that he favored planning the best

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placement for the facilities and just starting fresh. That would mean breaking up the concrete and planning for the whole area.

**VII. ADJOURNMENT:** We adjourned at 10:20.

**MARINA COMMITTEE REPORT  
April 1, 2014**

- There were 12 members present, including CG Manager, Art Burke.
- The May 9th and 10th Marina sale was discussed. Mike McDonald will put up signs and be responsible for the cash box. Ken Owens will oversee pricing. A sign-up sheet will be placed in the Community Workshop for volunteers to assist in the sale and clean-up afterwards. Tom Ramsey is in charge of advertising. All of those in attendance were asked to spread the word on much-needed donations for the sale. Proceeds will be used for the annual Waterfront Festival and Regatta, Marina related tools and equipment, with remaining funds to be deposited in the Marina fundraising account.
- There is one kayak and one canoe that have been abandoned and stored for the past two years. Marina Committee Chair Tom Ramsey, requested that Manager Art Burke determine whether these two items can be legitimately sold at the Marina Sale. Ray Pierson reported that the hull of the canoe has been compromised. The Committee will determine if it can be repaired.
- The balance of the Marina Fundraising account stands at \$3521 which will be spent at the Committee's discretion.
- Electrical problems exist on docks G and H that need to be addressed immediately. This is in addition to numerous issues involving electrical outlet pedestals and the lines feeding them. Art Burke will follow-up with Double D Electric.
- The Marina Committee has agreed to erect a fence along the new North seawall and place sacrificial zincs on both seawalls. A private contractor will build a fence on the South seawall. Ray Pierson will order the zinc material. Art Burke will order fence material per specifications drawn up by Mike McDonald. Art will also follow-up with Jefferson County with regard to any possible permitting that may be required. It was agreed that the North seawall fence be given priority over re-installing the flagpole, bench, and entrance sign. It was also noted that there will be rock backfill on the South seawall and West end of the North seawall.
- Mike (Mac) McDonald made a motion that "Caps" be installed on the East and West ends of the new seawall on the North end. There was no 2<sup>nd</sup> to the motion, and it died. When the seawall was constructed, a "cap" was provided on the main portion, but not the two ends. Mac felt that it was cosmetically unappealing.

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- Penny Jensen is the Coordinator for the 2014 Cape George Waterfront Festival and Regatta, to be held August 17th. Penny announced that there will be a Pet Show this year along with a yet-to-be-determined demonstration in the community swimming pool. The Pet Show at the 2013 festival was a big success. The Committee will provide food, beverages, and prizes, and the Social Committee will provide volunteer help. Games and prizes will be provided for kids and the young-at-heart.
- The Committee welcomed a new member, Craig Muma. Craig and his wife live in the Highlands. He has indicated an interest in volunteering on Tuesdays.

**POOL COMMITTEE  
April 2, 2014**

**ATTENDEES:**

Art Burke, Robin Scherting, Mary Hilfer, Leanne Ryan, Penny Jensen, Norma Lupkes, Jim Fling

A report was given on the St Patrick's Day dinner and a silent auction on March 15 with a profit of \$632.72. It was deemed a huge success and Robin will prepare a report of the details to put together an event of this size. There were 3 cases of beer left over that will be donated by the Pool Committee to an upcoming event of the Social Club. A motion was made, seconded and approved to replace the existing shower heads in the dressing rooms as a project to use some of the money from the event. Another suggestion was to research some different style barbells used by the water exercise classes – Robin will report on that at the next meeting.

The corner cabinet for the cleaning supplies has been installed and stocked with cleaning products, a hose and squeegee for the floors and clean shower curtains to be used by those pool users who volunteer to do so. A crack has developed high in the back in the shower stalls in the women's dressing and Donnie will investigate how to solve it before it becomes a larger issue.

The current situation with the pool HVAC/humidity project was discussed and Art reported that Air Reps, of Bellevue made a lengthy site visit last week and walk-through of the pool building. They will be giving a turn-key quote within 2 weeks. A second quote will be given next week when Desert Aire also does a site visit.

Donnie has made an effort to repair the inside entry door to the pool which has been reported to be sticking open however, the door closure will have to be replaced. The alarmed doors on the east side of the building continue to have issues and the alarms will be replaced and activated.

Penny announced that the Waterfront Festival will be held on August 17 and they hope to do some pool events yet to be determined.



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**WATER ADVISORY COMMITTEE  
APRIL 1, 2014**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water System Manager; Larry Southwick, Committee Chair; and member Scott James.

1. Water Rights – Art left phone message and email for Bill Clarke, our attorney for dealing with DOE on water rights, but hasn't gotten a reply yet. We're waiting for DOE's final review and approval.
2. Well 8 – Donnie and Greg have laid out the piping for the connection of Well 8 to the system and built part of the plumbing but waiting for the final parts to complete it. Then the concrete slab can be poured and well house constructed followed by the electrical work. Finally, they will take water samples again and have them tested before the well is used and Well 5 is disconnected.
3. Greg is waiting for Stew to get together to design a PLC system for the booster pump station.
4. Well 6 is having some water hammer issues when starting that might be resolved by installing a 'soft starter' but it could be other problems. Greg will call Gresham to get advice or have them come and check it out. It could involve pulling the pump and making repairs. Art will get a price quote for the soft starter.
5. We started discussion about what we need to do to implement the cross connection control program that is required in the approved WSP by October of this year. We need to get the Committee up to speed and begin to educate our members before we begin critical information gathering. We decided that it would be good to have an article in the May newsletter and information inserts in the summer ballot mailing so we need to get to work on it. Ultimately, we'll need information on every connection to determine if backflow prevention devices are needed, installed where required and operating correctly. Larry and Greg will work on the first steps of the member information process.

The next meeting will be on **May 6, 2014 at 5 pm at the Office.**

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

- A. Welcome
- B. Announce Board candidates – Leslie Fellner, Katie Habegger, Robin Scherting, Carol Wood, and Bonnie Whyte
- C. An Executive Session is scheduled at the conclusion of the Regular Session for the purpose of discussing attorney communication and another legal issue.

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

**Action on Minutes:** Carol Wood moved and Ray Pierson seconded to approve the Minutes of the April 10, 2014 Regular Board Meeting. Passed 5/0

**Membership Report – Carol Wood**

- James Bragg purchased 11 Rhododendron Street from Stanley and Marguerite Granger.
- Ownership of 121 N Palmer Dr. was transferred from Monique and Brad Flickinger to Federal National Mortgage Association

**Treasurer's Report – presented by Carol Wood on behalf of Treasurer, Karen Krug**

**TREASURER'S REPORT  
As of April 30, 2014**

**2014 Balance Sheet:**

Cash accounts are detailed on the following page. All bank accounts have been reconciled and no accounts have been opened or closed during the month. All 2013 excess cash income transfers to reserves have been completed and are reflected in the respective reserve balances.

Total cash and cash equivalents are about \$200,000 lower than this time last year with the decrease due almost entirely to the payment of the expenses associated with the North and South Seawalls. To pay the bills for the South seawall it was necessary to borrow funds from the General Reserve and that loan is shown as a receivable of \$92,650. It was intended that first quarter 2014 south seawall collections of \$22,168 be paid-back to the General Reserve in April; this did not occur but will be corrected with a May Board motion and subsequent transfer.

Net receivables are significantly higher than this time last year due in large part to the change in assessment periods from three times to four per year. Of greater concern are the approximately \$14,000 in gross receivables, mostly from eight accounts, that are more than 90 days outstanding. Nearly all this amount has been reserved as potentially 'uncollectible' but it still represents funds unavailable to the corporation for operating purposes which by necessity translates into either higher future assessments or reductions in services.

**2014 Income Statement comments:**

The switch from trimesterly to quarterly payment periods also makes year-over-year revenue comparisons a bit challenging. To date, there have been two quarterly collections periods for one-half of all routine revenue while last year through the same period there had been only one collection period for one-third of all routine revenue. Comparisons of this year's year-to-date revenue with the year-to-date budget shows routine revenue - general assessment, water use fees and moorage, are as had been budgeted.

# CAPE GEORGE COLONY CLUB

## BOARD OF TRUSTEES MEETING

### MAY 15, 2014

### 7:00 PM

**General operations (YTD)** appear to be nearly \$25,000 better than the budget target but the budget did not include any provision for the Berm assessment since its approval was not assured at the time of budget preparation. While each operating expense category varies by small amounts, in total, actual expenditures are nearly identical to budget so far this year.

**Water operations (YTD)** are performing slightly better than budget due mostly to lower than budgeted labor and supply costs. Although not an operating item, it is noteworthy that the completion of Well #8, which began in 2011, is nearing completion. The project was stalled pending State approval of the Water System Plan. With the Plan's recent approval, Well #8 is expected to be completed in the next several months.

**Marina operations (YTD)** are performing noticeably better than budget so far this year. The current favorable variance is due mainly to timing differences between budget and actual in marina dredging operations which will self-correct by summer's end. Since nearly all marina income is recognized in the first few months of the fiscal year, favorable operating results are viewed with caution this early in the year.

#### **SPECIAL ASSESSMENT FOR NORTH MARINA SEAWALL - Collection and Expenditure Information (4)**

Total Special Assessment approved by Members	<b>\$293,928</b>	Cash collected thru 04/30/14	\$291,363
662 equivalent lots @ \$444 each		Past due Receivable - 04/30/14	2,417
Bad debts actually written-off	(148)	Uncollectibles - 04/30/14	(2,417)
Bad debt allowance - 04/30/14	(2,417)	Calculated Special Assessment	<u><b>\$291,363</b></u>
Expected Net Special Assessment	<u><b>\$291,363</b></u> <sup>(1)</sup>		
<b>Special Assessment Cash Balance:</b>			
Cash collections - 04/30/2014	\$291,363	<b>Marina Reserve Contribution:</b>	
Plus: Interest income (4305-007=2012; 2013;2014)	467	Total (99.1% of \$100,000)	\$99,100 <sup>(1)</sup>
Less: Actual draws for expenses (04/30/14)	(263,339) <sup>(2)</sup>	Less: Actual draws (04/30/14)	(87,725) <sup>(2)</sup>
Net Cash In Special Assessment Account	<u><b>\$28,491</b></u>	Maximum Remaining Contribution(04/30/14)	<u><b>\$11,375</b></u>
Expenditures not yet drawn as of 04/30/14 = \$990	<sup>(2)</sup>	Expenditures not yet drawn as of 04/30/14 = \$330	<sup>(2)</sup>
GL Balance (1108-007 ) 04/30/14	<u><u><b>\$28,494</b></u></u>	GL Balance (1108-003) 04/30/14	<u><u><b>\$16,647</b></u></u> <sup>(3)</sup>

#### **NOTES:**

- (1) Only 99.1% of assessed amount is anticipated to be collected. Therefore the proportional Marina contribution reduced accordingly.
  - (2) Total preliminary project costs to date are \$352,384 (CIP-#1491-001). By Board decision, 75% of all N Seawall expenses are to be from Special Assessment funds (\$264,329 -\$263,339 actually drawn) with the remaining 25% from Marina Reserves (\$88,055 - \$87,725 actually drawn).
  - (3) Marina reserve balance does include the 2013 excess transfers.
- (4) It is expected that the North Seawall project will be completed by the end of June with few, if any, additional expenses remaining. As a result there should be minimal additional draws from either the Special Assessment funds or the Marina Reserves.**

Book 05/07/2014

### CAPE GEORGE COLONY CLUB

#### Balance Sheet as of April 30, 2014 and 2013

<b>Assets</b>	<b>2014</b>	<b>2013</b>	<b>Liabilities and Fund Balances</b>	<b>2014</b>	<b>2013</b>
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 163,250	\$ 93,308	Accounts Payable & Other Liabilities	\$ 8,814	\$ 12,787
Operating Investment-Savings	70,025	31,503	Unearned Income General/Water/Etc.	49,416	77,104
Petty Cash (2 accounts)	600	600	Unearned Income Other	1,194	-
Reserves - General, Water & Marina	299,592	493,669	Unearned Income Marina Wait List	550	350
Special Reserves - S. Seawall & Berm	57,130	-	Due to General Reserve (Loan)	<u>92,650</u>	-
North Seawall Special Reserve	<u>28,494</u>	<u>216,114</u>	Total Current Liabilities	<u>152,624</u>	<u>90,241</u>
Total Cash & Equivalents	<u>619,091</u>	<u>835,194</u>	North Seawall Assessment Liability	293,928	293,928
Net Accounts Receivable	20,234	3,665	South Seawall Assessment Liability	99,300	-
Due from S. Seawall Reserve (Loan)	92,650	-			
Special Assessments Receivable	70,697	71,138	<b>FUND BALANCES:</b>		
Total Net Fixed Assets	1,830,558	1,479,371	Fund Balances (Combined)	1,926,417	1,924,204
Total Prepaid & Other Assets	10,306	9,042	Modified Cash Basis CY Income	<u>171,267</u>	<u>90,037</u>
<b>TOTAL ASSETS</b>	<u><u><b>\$2,643,536</b></u></u>	<u><u><b>\$2,398,410</b></u></u>	<b>Total Liabilities and Fund Balance</b>	<u><u><b>\$2,643,536</b></u></u>	<u><u><b>\$2,398,410</b></u></u>

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
MAY 15, 2014  
7:00 PM**

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

2014 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2014 YTD	2013 YTD	Variance	%
Revenue-General Assessmnt	\$ 137,696	\$ 137,696	-	0%	Revenue-General Assessmnt	\$ 137,696	\$ 88,284	\$ 49,412	56%
Revenue - All Other Sources	33,244	7,128	26,116	366%	Revenue - All Other Sources	33,244	19,193	14,051	73%
Total General Revenue	170,940	144,824	26,116		Total General Revenue	170,940	107,477	63,463	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	40,912	45,860	4,948	11%	Salaries, Benefits, PR Tax	40,912	39,669	(1,243)	-3%
Repairs & Maintenance	6,834	5,802	(1,032)	-18%	Repairs & Maintenance	6,834	4,154	(2,680)	-65%
Contracted Services	17,179	19,485	2,306	12%	Contracted Services	17,179	15,805	(1,374)	-9%
Insurance	7,949	8,460	511	6%	Insurance	7,949	9,375	1,426	15%
Pool expenses	12,438	6,749	(5,689)	-84%	Pool expenses	12,438	5,836	(6,602)	-113%
Other Expenses (incl taxes)	10,956	9,649	(1,307)	-14%	Other Expenses (incl taxes)	10,956	(724)	(11,678)	1613%
Total General Expenses	96,268	96,005	(263)		Total General Expenses	96,268	74,115	(22,151)	
<b>General Net Income</b>	<b>\$ 74,672</b>	<b>\$ 48,819</b>	<b>\$ 25,853</b>	53%	<b>General Net Income</b>	<b>\$ 74,672</b>	<b>\$ 33,362</b>	<b>\$ 41,310</b>	124%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 91,620	\$ 91,440	\$ 180	0%	Revenue - Water Use Fees	\$ 91,620	\$ 60,600	\$ 31,020	0%
Revenue - All Other Sources	1,703	2,000	(297)	-15%	Revenue - All Other Sources	1,703	1,909	(206)	-11%
Total Water Revenue	93,323	93,440	(117)		Total Water Revenue	93,323	62,509	30,814	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	18,856	20,716	1,860	9%	Salaries, Benefits, PR Tax	18,856	18,784	(72)	0%
Repairs & Maintenance	1,596	1,823	227	12%	Repairs & Maintenance	1,596	2,494	898	36%
Contracted Services	5,436	5,271	(165)	-3%	Contracted Services	5,436	17,814	12,378	69%
Insurance	4,886	4,720	(166)	-4%	Insurance	4,886	3,347	(1,539)	-46%
Other Expenses (incl taxes)	11,054	13,351	2,297	17%	Other Expenses (incl taxes)	11,054	8,591	(2,463)	-29%
Total Water Expenses	41,828	45,881	4,053		Total Water Expenses	41,828	51,030	9,202	
<b>Water Net Income</b>	<b>\$ 51,495</b>	<b>\$ 47,559</b>	<b>\$ 3,936</b>	8%	<b>Water Net Income</b>	<b>\$ 51,495</b>	<b>\$ 11,479</b>	<b>\$ 40,016</b>	349%
<b>Marina</b>					<b>Marina</b>				
Revenue - Marina Moorage	\$ 43,321	\$ 43,120	\$ 201	0%	Revenue - Marina Moorage	\$ 43,321	\$ 42,231	\$ 1,090	0%
Revenue - All Other Sources	12,069	12,593	\$ (524)	-4%	Revenue - All Other Sources	12,069	11,414	655	6%
Total Marina Revenue	55,390	55,713	(323)		Total Marina Revenue	55,390	53,645	1,745	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	3,508	4,732	1,224	26%	Salaries, Benefits, PR Tax	3,508	3,528	20	1%
Repairs & Maintenance	537	4,628	4,091	88%	Repairs & Maintenance	537	732	1,764	27%
Contracted Services	788	1,554	766	49%	Contracted Services	788	1,710	922	54%
Insurance	1,620	2,334	714	31%	Insurance	1,620	667	(953)	-143%
Other Expenses (incl taxes)	4,080	3,304	(776)	-23%	Other Expenses (incl taxes)	4,080	2,283	(1,797)	-79%
Total Marina Expenses	10,533	16,552	6,019		Total Marina Expenses	10,533	8,920	(44)	
<b>Marina Net Income</b>	<b>\$ 44,857</b>	<b>\$ 39,161</b>	<b>\$ 5,696</b>	15%	<b>Marina Net Income</b>	<b>\$ 44,857</b>	<b>\$ 44,725</b>	<b>\$ 132</b>	0%
Interest Income - Reserves	242	-	242		Interest Income - Reserves	242	471	(229)	-49%
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 171,267</b>	<b>\$ 135,539</b>	<b>\$ 35,727</b>	26%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 171,267</b>	<b>\$ 90,037</b>	<b>\$ 81,229</b>	90%

\*\*Modified Cash Basis, Excludes Depreciation

KCK 01/16/14

**Manager's Report – Art Burke**

I was invited to meet with members of the Cape George and Kala Point Emergency Preparedness Committees in an exchange of ideas on how each group operates and prepares for events. This was a very beneficial meeting

Attended a meeting with some of the kayak rack users and Harbormaster to come up with a plan to meet the needs of the users and facilitate better identification of kayaks on racks. As an outcome of the meeting the office staff has begun to conduct a detailed accounting of whose boat is where on the marina racks.

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Office projects being worked on include:

- Documents from the Water Committee for the Cross Connection Control Program are being refined. We are also looking for someone in the community interested in assisting us with developing a MS Access database to track information.
- Election materials are being developed and mailing supplies prepared for the upcoming Trustee elections.

Miscellaneous projects taking place in the community include:

- A check valve on Well #6 stopped working and was replaced.
- The well house for Well #8 has been built, electrical service installed and all of the plumbing connections have been made. The final steps of flushing and testing will be completed in the next week. The final step will be to have our engineer prepare a letter of completion to submit to Department of Health. We anticipate have the well producing water for the community by the end of the month.
- The ongoing battle to control a short list of alien plant species is underway in the community. Targeted species include poison hemlock, scotch broom and tansy ragwort. If anyone would like information on controlling any of these plants on their own property you may stop by the office.
- The grass mowing season is well underway. Donnie and Chris are doing a good job of keeping things looking well maintained.

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

- Complaint of fireworks being used in the Highlands
- Property maintenance complaint in the Village
- Invasive plant complaint in the Colony
- Abandoned vehicle complaint in the Highlands
- Property maintenance complaint on Huckleberry
- Trailer parked for extended period in the right-of-way on Huckleberry

### **Committee Reports**

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

### **Information Items**

- A. The Trustees reviewed information presented by Washington Sea Grant Boating Outreach Specialist, Aaron Barnett, on the Clean Vessel Grant Program. The Trustees directed the Manager to publish information in the June Newsletter concerning the program and ask for community input to be brought to the next Study Session.
- B. The Trustees deferred a decision on the building regulation violation at 41 Dennis Blvd. to the June meeting.

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- C. Water Committee Chair, Larry Southwick, presented information to the Trustees concerning the implementation of the Cross Connection Control Program that will be rolled out to the community in the near future.
- D. The Trustees reviewed proposed changes and reorganization of Cape George rule CP03 Marina Usage and directed the Manager to publish the substantive changes in the next newsletter for member comment. Any comment received will be reviewed at the June Study Session.

**Member Participation**

A concerned member asked the Board to Support the Water Cross Connect Program.

**New Business Action Items**

**Motion 1:** Ross Anderson moved and Ray Pierson seconded to approve the memorandum of Understanding (as amended and distributed to Board Members today) between Cape George Colony Club and East Jefferson Fire Rescue to dock the rescue vessel, Volunteer, in the Cape George Marina. Passed 5/0

**Motion 2:** Penny Jensen moved and Ross Anderson seconded to approve a request from the Harbormaster to permit variance on a boat owned by Member, Gary Nelson, in excess of 12 foot maximum width as required in Cape George rule CP03 Marina Usage. Passed 5/0

**Motion 3:** Richard Hilfer moved and Penny Jensen seconded to approve repayment of \$22,168.12 from the first quarter 2014 collections for the South Seawall Special Assessment to the General Reserve Fund with the appropriate split between interest and principal. Passed 5/0

**Motion 4:** Ray Pierson moved and Penny Jensen seconded to approve the expenditure of not to exceed \$2100 for materials to finish the metal cap on the North Seawall with funding to come from Marina Reserve account (25%) and North Seawall Special Assessment account (75%). Passed 5/0

**Motion 5:** Michael Hinojos moved and Carol Wood seconded to approve the quotation for renewal of Excess/Umbrella Liability policy and Directors and Officers Liability policy at current levels. Passed 5/0

**Motion 6:** Penny Jensen moved and Michael Hinojos seconded to approve Resolution No. 05-01-14 to transfer \$224.26 from the South Seawall Special Assessment Account to General Checking Account for the South Seawall Replacement Project, Daniel Pierson-\$224.26. Passed 5/0

**Motion 7:** Ross Anderson moved and Ray Pierson seconded to approve Resolution No. 05-02-14 to transfer \$329.92 from Marina Reserves to General Checking account and \$989.76 from North Seawall Special Assessment account to General Checking account for the North Seawall Replacement Project, Carl's Building Supply-\$274.80, Muffler & Fabrication-\$424.01, Daniel Pierson-\$336.38, Cotton Redi-Mix-\$284.49. Passed 5/0

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**Motion 8:** Carol Wood moved and Michael Hinojos seconded to approve seven due date adjustment requests from members. Passed 5/0

**Open Board Discussion**

There was none

**Announcements**

- A. Study Session – June 10, 2014 3:00 p.m.
- B. Board Meeting – June 12, 2014, 7:00 p.m.

Penny Jensen moved and Michael Hinojos seconded to adjourn the Regular Board Meeting to Executive Session at 7:22 p.m. Passed 5/0

Penny Jensen moved and Michael Hinojos seconded to adjourn the Executive Session and return to the Regular Board Meeting at 8:02 p.m.

Michael Hinojos moved and Ross Anderson seconded to adjourn the Regular Board Meeting at 8:03 p.m. Passed 5/0

**Submitted by:**

**Approved by:**

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**Carol Wood, Secretary**

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**Richard Hilfer, President**

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**COMMITTEE REPORTS**

**CAPE GEORGE BUILDING COMMITTEE  
May 5, 2014**

1. C. Muma Residence - Received preliminary plan for exterior deck addition. Waiting for CG Permit Application.
2. Received preliminary plot plan for review of a future modular home in the CG Village – 64 Fir Place.
3. T. Smith Residence - Received application for exterior shed addition at 61 Pine St.
4. Barnett Residence – Trusses received and bldg. height signed off for garage addition at 66 N Palmer.

**ENVIRONMENTAL COMMITTEE MINUTES  
APRIL 14, 2014**

**IN ATTENDANCE:** Art Burke, Sue Dunning, Dennis Fellner, Leslie Fellner, Betty Hanks, Penny Jensen, Kitty Rucker, Robin Scherting, Dean Shinn

**I. CALL TO ORDER:** 9:18 A.M.

**II. APPROVAL OF MINUTES:** Minutes were unanimously approved.

**III. FISCAL REPORT:**

Kitty asked everyone to make a point of thanking Sharon Mitchel for designing the Excel spread sheet that allows us to look at our operating funds, our berm funds, and our total budget amount. She has always been so helpful to us. This time she outdid herself. It is so easy to read and to understand.

We have \$1,516.90 in our operating funds, \$2,100.64 in our berm fund, for a total of \$3617.54

**IV. OLD BUSINESS:**

**A. Article on Burning Trash –**

1. Kitty submitted the article for the April Newsletter. For some reason it was not included. It will be printed in the May Newsletter.
2. Art talked to the County Fire officials. They said that they would send out a fire inspector to talk to people who are reported to be burning trash. People should call 911 and report the incidents. Kitty will add this information to the news article.

**B. Poison Hemlock Spraying –**



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1. Steve Shapiro will begin pulling poison hemlock in the ravine, Memorial Park, and the beach next week.
2. Art feels that spraying in the first two areas is not necessary. The plants are so small there that they can easily be pulled now.
3. Kitty asked Steve to let her know when he will be pulling so that she can notify members to come to help.

**C. Berm Report –**

1. We are still waiting for approval of our plans so that we can put it out for contract. We should have the approval in hand by July. We are still planning to begin building the berm in September or October.
2. Art said that he talked to David Sullivan, our County Commissioner. He was sympathetic to our plight of having to wait so long for approval, but he also told Art that the Planning Department is working under a huge disadvantage. They have had staff cuts and they also have more requirements that have been added by the state.

**D. Bee Lecture –** Betty has been trying to reach the lady who gives the bee lectures and brings a hive to show. She has not returned her calls. She will contact the WSU Extension Service and also keep trying to reach the lady. She will report back at the May meeting.

**E. Pancake Breakfast –**

1. At our March meeting, the committee voted not to do this right now. They felt it was too much work and not enough money was earned.
2. Kitty asked them to think about it again, because the community has expressed disappointment about not having one. The committee voted once again to not have this event at this time.

**V. NEW BUSINESS:**

**A. Summer Solstice Event –**

1. Dean Shinn came to the meeting to tell us about an event that he is planning, The Summer Solstice Pot Luck and Barbecue. He has reserved the Clubhouse and beach for Saturday, June 21, from noon to closing. That is a period of 10 hours.
2. He plans to have speakers from Environmental Groups there to explain their groups and how people can participate in their activities.
3. He also plans to have a barbecue and potluck, music, dancing and a fire pit.
4. He wanted to know whether the Environmental Committee would be willing to help.
5. At first we suggested that we could have the Pancake Breakfast to draw people, but the timing of the event wouldn't work. People want to come to the breakfast early (8 to 10 A.M.) Dean suggested having it at noon, We didn't think that people would come that late.
6. We offered to help with whatever he is doing by supplying volunteers.

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7. We suggested that the time of the event was too long. People just don't stay around for 10 hours here. They do for the Marina Days Event, but that takes enormous planning with multiple activities and that takes a year to organize. We only have two months.
8. Dean suggested that we have our Beach Walk on this day to go with his event, but that would be impossible because of the tides and the availability of Marine Science personnel.
9. Kitty offered to call some of the organizations that will be presenting. Dean said that he had that all under control and didn't need help on that.
10. We suggested that he narrow the time this year to starting at 4 P.M. with the presenters and then having the potluck at 5:30 and having the bonfire after dinner. Dean said that he might do that. He said that he just signed up from 12 to closing to allow him the option to make plans.
11. We asked Dean to come back to our May meeting to give us specifics of what he wants us to do. We told him that it sounded like a great event, but we needed to have more information to know what we can do to help.

**B. Beach Walk:**

1. Kitty has scheduled the Beach Walk for July 11, at 9 A.M. The low tide that day is at 9:45 and is a -2.2, one of the lowest of the year.
2. The Marine Science people will have a short presentation from 9 until 9:25. Then we will go out to the beach for the Walk.
3. We will provide donuts or cookies and coffee before the event.
4. We will need volunteers as we get closer to the event.

**C. Recycling with the Social Club –**

1. Kitty went to the Social Club meeting on April 1. Betty had asked her to speak to the recycling problem, since Betty was going to be out of town then.
2. We discussed the recycling problem and decided to buy 6 containers that will be kept in the Clubhouse near the bathrooms. Norma Lupke's husband, Neil, will take them to the recycle center when they are filled.
3. Robin and Betty were concerned about this solution because they don't think that the containers should be kept inside. They feel that they should be kept outside where they won't smell up or mess up the Clubhouse.
4. Robin was also concerned that a volunteer will be taking them to the dump. She feels that this may unravel if the volunteer gets tired of doing it.
5. Betty will call Mary Hilfer to discuss this. She asked Kitty to call as well.
6. When Kitty called Mary, she said that the containers will arrive tomorrow. She would like to try them as planned to see how they work.
7. She offered to come to our next meeting to discuss this with the committee if there is still concern.

**D. October Environmental Committee Dinner:**

1. Kitty reserved the Clubhouse all day and evening on October 11.

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2. It will be a Roman Toga Potluck Party.
3. Newcomers will be invited as our guests.
4. We will have Limoncello and red wine. Each guest will be provided one drink ticket.
5. They can buy extras for \$3.00 each.
6. We will have either a silent auction or a lottery with donated items.
7. There will be music with dancing.
8. We will discuss details at future meetings.
9. Freddie Pink has volunteered to play for an event at Cape George. Kitty will talk to Norma to see if our event might be a good one for his presentation.

**VI. ADJOURNMENT:** We adjourned at 10:25 A.M.

**NEXT MEETING** - will be on Monday, May, 12, 2014, at the Clubhouse, at 9:15.

**ENVIRONMENTAL COMMITTEE MINUTES**

**CAPE GEORGE CLUBHOUSE**

**MONDAY, MAY 12, 2014**

**IN ATTENDANCE:** Art Burke, Gretchen Cooper, Dennis Fellner, Mary Hilfer, Penny Jensen, Gig Lampshire, Norma Lupkes, Kitty Rucker, Robin Scherting.

**I. CALL TO ORDER:** The meeting was called to order at 9 17 A.M.

**II. APPROVAL OF MINUTES:** The April minutes were approved unanimously with the correction of V,C, 2. The statement should read, "There are several volunteers who will take the cans to the recycling center"

**III. FISCAL REPORT:** There was no activity this month so we still have \$1,516.90 in the Environmental Committee Working Area and \$2,100.64 in the Berm Area.

**IV. OLD BUSINESS:**

- A. **Berm Report** – Art says that they are still waiting for approval from the county, so there is nothing new to report.
- B. **Summer Solstice** – Dean did not attend the meeting, so we have nothing new in this area.
- C. **Recycling**
  - 1) Mary Hilfer explained how they had received the new boxes and had used them at the Revue. They had worked very well.
  - 2) Robin said that she was unhappy that the boxes were going to be stored inside. She would prefer that they be kept outside because they can be smelly and can attract insects and mice. Robin asked how many people agreed with her. Better than half agreed.

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- 3) Mary said that this had worked well with the old containers and they never had problems with bugs.
- 4) Kitty brought out a new container to show how it looked. After seeing the size and realizing that there was not going to be a huge recycling operation in the Clubhouse, most people were willing to give them a try.
- 5) Mary told us that the Social Club had contacted the recycle collectors, and they would not pick up the big container from outside.
- 6) Kitty suggested that the Social Club purchase 2 more containers to be placed outside. As the inside ones are filled at an event, they will be emptied outside and only the clean ones will be kept inside. Cookie will be asked to make sure that any event or renter empties the containers before being checked out by her.
- 7) Dennis made a motion that we try this procedure until September. At that time we will review the process and see if we wish to continue with it. It was seconded by Robin and approved unanimously.

**D. Poison Hemlock** – The poison hemlock has been sprayed (including a new batch at the south edge of the South parking lot.) Steve Shapiro had pulled the hemlock in the ravine. Art had Donny pick up the waste. Steve will check the waterfront area and pull what he finds there next week.

**E. Lilacs** - Betty said that she was going to go up and prune the lilacs near the office that have become so leggy and sparse. Dennis said that he would meet her there to help.

**V. NEW BUSINESS**

**A. Scotch Broom**

- 1) Scotch broom is becoming a problem in the community. Art is sending out some letters to members asking them to remove these noxious weeds.
- 2) Kitty told the committee that the community owns a tool for pulling these weeds that can be borrowed by members. Art said that it was about 6 feet long and kind of hard to use.
- 3) Kitty suggested that the Environmental Committee purchase a smaller tool that would be easier to use and give it to the office for people to use as well.
- 4) The motion was made and passed unanimously. Art ordered the device yesterday. It cost about \$150.
- 5) Kitty will write an article for the newsletter this month warning about Scotch broom and offering the use of the tool to remove it.

**B. Review of the purpose and goals of the Environmental Committee**

- 1) Kitty went over the history of the committee. It used to have three goals – to maintain the common areas, to watchdog environmental issues, and to decide whether or not to cut down trees. The Board removed this latter area from our committee's purposes several years ago.. The other two purposes remain. They have taken more or less importance with the make up of the committee. In the beginning it was heavily weighted toward environmental problems. At other times it has been more preserving and improving the common areas. We used to have educational presentations, but with the Cape George University, that has disappeared. We have also worked hard over the last two years to bring about the building of the berm and raising money for that project.

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- 2) Kitty asked where the committee felt that we should be at this time. The general feeling was that the balance of maintaining common areas and overseeing environmental issues should remain as it is. It was felt that when the berm is being built, we will have a lot to do with planting and working in that area.

**C. Review of Chairmanship**

- 1) Kitty suggested that now was a time for us to review our plans regarding the Chairmanship. She had agreed to serve as chairman two years ago, but she would not mind if someone else would rather do it. She again will be gone in January and February.
- 2) The committee unanimously agreed that Kitty should stay on as chairperson.
- 3) Robin and Gretchen said that they would be willing to cover for her when she is gone if something should come up. Kitty thanks them for doing this.

**D. Secretary Position**

- 1) Kitty has taken notes and done the minutes and the news articles and communication (thank you notes, etc.) because no one else wanted to do it. She has time and can continue to do this unless someone else would agree to take on that responsibility.
- 2) Norma said that she would be willing to take notes and write the minutes, but she did not want to do the news articles. Kitty said that she would be willing to do that.
- 3) Norma was approved unanimously. (We agreed that Kitty would do the minutes for May, and Norma would take over in June, since Kitty had taken the notes this month anyway.)
- 4) A special thank you to Norma from Kitty.

**E. Hiring a gardener to help with heavy weeding .**

- 1) Betty brought up the concern about maintaining the common areas. She feels that the community should hire someone to do heavy weeding. She said that for about \$500 a year we could hire someone to do this work to help volunteers. We have been having trouble getting people to do volunteer work because they are busy and are getting older.
- 2) Art said that he has no money in his budget for this year to do that. He also said that he felt it was a good thing to have volunteers do much of the work because it saved the community a lot of money each year, and it was good for members to become involved in working for the community.
- 3) A committee was formed of Betty, Robin and Kitty to review what might be needed in the way of work this coming year. They will look at all the common areas, call the volunteers who maintain these areas, and find out how much it will cost to hire a temporary gardener to help in common areas. We will then present this with our next year's budget in August to see if we can get assistance.

**F. Saving Water**

- 1) Kitty expressed concern about water usage and droughts and asked if the committee should put an article in the newsletter this month to ask people to watch their water use this summer.
- 2) Art said that the Water Committee has been very good at letting members know what is happening with our water. We are lucky to have enough water for our needs and very few people are over using their water portion.
- 3) It was suggested that we put an article in the newsletter reminding people to conserve water, to try to water in the evening and the early morning because it is more efficient, to plant native plants that do not require much watering, and to save water whenever possible .

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G. **Road Clean Up** - The committee asked Kitty to call Ron Niccoli to see if he will sponsor another road clean-up event this Spring/Summer.

H. **October 11, Dinner** – We will begin working on the October dinner in August after things settle down a bit.

**VI. ADJOURNMENT:** The meeting was adjourned at 10:33

**SPECIAL NOTE** – The deer got into Amy's tree again. Kitty and Dick with the help of Steve Shapiro put up a new fence and tried to strengthen it. Please keep an eye out when you get your mail and let me know if they damage the fence again. They did eat some of the leaves on the tree.

**MARINA COMMITTEE**

**MAY 6, 2014**

There were 19 members present, including CG Manager, Art Burke.

Lee Jensen introduced two members of the state "Clean Vessel Program" which promotes sewage cleanouts in Marinas and other recreational areas. The crux of the program involves a 75% reimbursement for installation and subsequent cleanout of these systems. Lee will also introduce these two gentlemen to the Board at the next work/study session. Committee members will discuss at future meetings.

Art Burke introduced an updated version of CP-03 which involves rules pertaining to the Marina. These updates to be put before the Board of Trustees for approval.

Art Burke gave the Committee an update on the East Jefferson County Fire District's desire to station a rescue vessel at the Cape George Marina. The Committee made a recommendation in 2013 that the Board approve the request. The Fire District now wants a storage shed along with the moorage. Art will keep the Committee apprised of further developments.

Art Burke followed up with Double D Electric regarding new electric pedestals for the marina. The present ones were second-hand from the Port of Port Townsend, and are falling apart and presenting some safety issues. The Committee presented the features they would most desire in pedestals. Mainly, cheap.

The Committee approved the purchase of a new mooring buoy to replace the one lost in last Winter's storms. Cost not to exceed \$400 and will come from the Marina fundraising account.

Mike "Mac" McDonald said he wanted "caps" put on the East and West ends of the new North seawall for aesthetic purposes since the original scope of work did not call for them. Caps were put only on the

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main center section of the seawall. Feelings among committee members were mixed, but those in favor will determine cost estimates.

Sam Melton suggested we “wing off” the East and West ends from the main portion of the fence being erected in the center of the seawall. This would provide extensions on both sides to prevent people from wandering too close to the edge. Cost estimates will be forthcoming.

The Marina sale was discussed after most members had spent the morning setting up. Volunteers signed up for sale duties and post-sale clean-up. Ken Owen was charged with pricing and Mac McDonald would take care of the money and placement of signs in the community pointing to the Marina. The sale ended up being the most successful on record with a net profit of \$4,080. Proceeds will finance the Cape George Waterfront Festival August 17, and purchase necessary marina and safety equipment.

**WATER ADVISORY COMMITTEE  
MAY 6, 2014**

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

1. We received a letter from Ed Skowyra that he is resigning as an active member of the Water Advisory Committee. His letter is addressed to the Board and will be included in their packets for the Study Session next week. Larry will write a letter to Ed from the Committee thanking him for his many years of service. Art said that in all of the records that reflect anything having to do with the water system, Ed’s name is one it. He single handedly ran the water system for many years, led the effort in completing the Water System Plan, and has been a staunch advocate for our water rights. We owe him a great debt of gratitude. Thanks, Ed.
2. Water Rights – we haven’t heard anything in the last month so Art will call Bill Clarke, our attorney for dealing with DOE on water rights, and see if he’s heard anything. We’re waiting for DOE’s final review and approval.
3. Well 8 – the slab was poured, the pump house has been constructed and the plumbing is complete except for the final connection to the system. The electrician will wire it this Thursday. Then we’ll pump it out to the field before taking a final water test and connecting it. The water meter assembly on the pump is a used one and we’re having some leaks that will need to be resolved.
4. Well 6 – Gresham Well Drilling pulled the pump and replaced the check valve which solved the water hammer problem that caused a break in the piping.

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5. Stew is working on a design for a PLC (programmable logic control – a mini-computer) system for the booster pump station to replace the current switching system. Once he's got it working in test mode, we'll have an electrician purchase the components and wire it. We discussed installing a switch that can operate the pumps manually if the PLC system fails.

6. Stew will work up a leak report following the current meter reading cycle and send it out by email.

7. We had an extensive discussion about what we need to do to implement the cross connection control program that is required in the approved WSP. We had an article in the current newsletter and have had a few responses but anticipate a lot more when we go public at the Board Study Session next week.

We reviewed some of the materials that will be presented at the Study Session and the subsequent questionnaire that we'll send out in June after our next meeting. From here on, this will primarily be a public relations effort. We have to provide the Board and our members with enough information and address all of their questions/concerns because we'll be asking them to cooperate with something that they won't necessarily agree with (some could be non-cooperative) and at their own expense.

Greg said around 35-40% of the customers in Port Ludlow have backflow devices. Applying that number to Cape George would project around 200 customers that will need to have backflow devices and have them tested.

Karen emphasized that we must be careful throughout the process to not 'gift' our resources to those who have or will need services related to the program because they won't apply to all of our customers, only the 200 or so. She urged us to clearly explain what we have to do, why we have to do it and why now (because we've gotten along for years without doing it). She also suggested that we make a similar presentation at the annual membership meeting on July 19<sup>th</sup>.

We'll be dealing with all of the issues this first time around, work out the bugs and make adjustments as we gain experience. Greg administers the entire program for around 500 backflow devices in Port Ludlow in 3 to 4 months every year. It will impact our office staff and resources because it is largely administrative. The Committee can and will need to take the lead and provide support. More details were discussed and will be presented to the Board next week.

The next meeting will be on June 3, 2014 at 5 pm at the Office.



**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JUNE 12, 2014  
7:00 PM**

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

- A. Welcome
- B. The ballot package for the election of three Trustees was mailed on Friday, June 6<sup>th</sup>
- C. The Executive Session scheduled at the conclusion of the Regular Session for the purpose of discussing two legal issues has been cancelled.

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

**Action on Minutes:** Carol Wood moved and Michael Hinojos seconded to approve the May 15, 2014 minutes. Passed 6/0

**Membership Report – Carol Wood**

- Richard & Karen Woodcock purchased 170 N Palmer Drive from Joseph Dibene
- Eileen Branscome purchased Lot 64-3 Fir Place from Allan Souigny
- Penny Bridgman purchased 101 Ridge Drive from Flo Palumbo
- Ray Pierson purchased 74 Huckleberry Place from Terry & Kristi Steben

**Treasurer's Report – Karen Krug**

**TREASURER'S REPORT  
As of May 31, 2014**

**2014 Balance Sheet:**

Cash accounts are detailed on the following page. All bank accounts have been reconciled and no accounts have been opened or closed during the month. All 2013 excess cash income transfers to reserves have been completed and are reflected in the respective reserve balances. Comparisons between current and prior year cash balances are complicated by the fact that in 2013 collections were on a trimester basis and this year collections are quarterly.

Other major differences in cash and cash equivalents have occurred because nearly all the expenses associated with the North and South seawall projects have been paid from respective reserves. In May a \$22,000 payment on the loan between the General Reserve and the South Seawall reserve reduced the balance of that loan to \$70,600 which will be paid over the next 18 months from the existing special assessment.

**2014 Income Statement comments:**

As with balance sheet accounts, the switch from trimester to quarterly payments makes year-over-year revenue comparisons a bit challenging especially in the General Operations and Water cost centers. Summarized income and expense statements are included on the following page and provide both a current YTD actual to budget comparison as well as a current YTD actual to last YTD actual comparison.

**General operations (YTD)** exhibits better performance when compared against the budget. Nearly all the variance is traceable to the Berm Special Assessment since it was not included in the budget. There is also a favorable labor variance that is the result of timing differences between budget and actual and the variance will self-correct through the remainder of the summer and fall. Pool expenses are abnormally high at 90%. This variance requires further research to determine if it is a budget timing issue or there is some other cause.

**Water operations (YTD)** are performing slightly better than budget due mostly to lower than budgeted labor. Here again, this variance is a timing difference, budget to actual, and will self correct during the remainder of the year.

**Marina operations (YTD)** are performing noticeably better than budget so far this year. Nearly 90% of Marina revenue is received during the first quarter of the year making control of operating expenses throughout the rest of the year very important. Channel dredging is scheduled for July and was originally budgeted for \$11,000 and through May the budget reflects \$4,000 in that category.

**CAPE GEORGE COLONY CLUB**  
**BOARD OF TRUSTEES MEETING**  
**JUNE 12, 2014**  
**7:00 PM**

**NORTH SEAWALL PROJECT FINANCIAL UPDATE**

**Special Assessment Cash Balance:**

Special Assessment collections - 5/31/2014	\$291,363
Plus: Interest income since inception	467
Less: Actual draws for expenses (5/31/14)	<u>(264,328)</u>
Net Cash In Special Assessment Account	<u>\$27,502</u>

GL Balance (1108-007 ) 5/31/14 \$27,502

**Anticipated Remaining Project Expenses (75%):**

Actual expenditures not yet drawn	(\$42)
Extension of seawall cap	(1,700)
Contingency for minor items	<u>(300)</u>
Probable remaining draws	<u>(\$2,042)</u>
Probable Refund to Members	<u>\$25,460</u>

**Marina Reserve Contribution:**

Total (99.1% of \$100,000)	\$99,100
Less: Actual draws (5/31/14)	<u>(88,109)</u>
Maximum Remaining Contribution(5/31/14)	\$10,991

GL Balance (1108-003 ) 5/31/14 \$16,320

**Anticipated Remaining Expenses (25%):**

Actual expenditures not yet drawn	(\$14)
Extension of seawall cap	(540)
Contingency for minor items	<u>(100)</u>
Probable remaining draws	<u>(\$654)</u>
Probable Marina Reserve Balance	<u>\$15,666</u>

**SOUTH SEAWALL PROJECT FINANCIAL UPDATE**

**Total Special Assessment approved by Members**

*662 equivalent lots @ \$150 each; payable over 2 years* **\$99,300**

Cash collected thru 5/31/14	\$30,093
Past due Receivable (1250-008) 5/31/14	552
Future Receivables(1250-008) 5/31/14	<u>68,655</u>
	<u>\$99,300</u>

Cash collections thru 5/31/14	\$30,093
Plus: Internal loan from General Reserves	92,650
Less: Actual draws for expenses thru 5/31/14	<u>(93,967)</u>
Principal loan repayment thru 5/31/14	<u>(22,038)</u>
Interest expense on internal borrowing	<u>(130)</u>
Net cash - South Seawall Special Assessment	<u>\$6,608</u>

GL Account Balance (1108--007) 5/31/14 \$6,609

**Internal Reserve Borrowing:**

Loan from General Fund (1108-001)	\$92,650
Less: Principal repayments thru 5/31/14	<u>(22,038)</u>
Remaining balance (excluding interest)	<u>\$70,612</u>

Due to General Reserve (2170-008) \$70,612

**Project expenses not yet drawn:**

Fencing	(\$660)
Contingency for minor expenses	(200)
Remaining interest(life of loan)	<u>(349)</u>
Probably remaining draws	<u>(\$1,209)</u>

Probable Refund to Members \$5,400

**CAPE GEORGE COLONY CLUB**

**Balance Sheet as of May 31, 2014 and 2013**

<b>Assets</b>	<b>2014</b>	<b>2013</b>	<b>Liabilities and Fund Balances</b>	<b>2014</b>	<b>2013</b>
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 119,677	\$ 164,993	Accounts Payable & Other Liabilities	\$ 13,328	\$ 9,562
Operating Investment-Savings	70,027	70,007	Unearned Income General/Water/Etc.	51,494	26,987
Petty Cash (2 accounts)	600	600	Unearned Income Other	933	-
Reserves - General, Water & Marina	321,492	405,350	Unearned Income Marina Wait List	450	450
Special Reserves - S. Seawall & Berm	37,569	-	Due to General Reserve (Loan)	70,612	-
North Seawall Special Reserve	27,507	242,504	Total Current Liabilities	<u>136,817</u>	<u>36,999</u>
Total Cash & Equivalents	576,872	883,454			
Net Accounts Receivable	6,795	13,491	North Seawall Assessment Liability	293,928	293,928
Due from S. Seawall Reserve (Loan)	70,612	-	South Seawall Assessment Liability	99,300	-
SpclAssmnts Rcvbl(Berm, N&S Seawall	69,800	43,203			
Total Net Fixed Assets	1,833,640	1,484,569	<b>FUND BALANCES:</b>		
Total Prepaid & Other Assets	35,545	40,773	Fund Balances (Combined)	1,926,417	1,924,204
			Modified Cash Basis CY Income	<u>136,802</u>	<u>210,359</u>
<b>TOTAL ASSETS</b>	<u><b>\$2,593,264</b></u>	<u><b>\$2,465,490</b></u>	<b>Total Liabilities and Fund Balance</b>	<u><b>\$2,593,264</b></u>	<u><b>\$2,465,490</b></u>

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
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**Summary Revenue and Expense Statements for the periods ended May 31 (Modified Cash Basis)**

2014 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2014 YTD	2013 YTD	Variance	%
Revenue-General Assessmnt	\$ 137,696	\$ 137,696	-	0%	Revenue-General Assessmnt	\$ 137,696	\$ 176,568	\$ (38,872)	-22%
Revenue - All Other Sources	33,861	8,032	25,829	322%	Revenue - All Other Sources	33,861	23,375	10,486	45%
Total General Revenue	171,557	145,728	25,829		Total General Revenue	171,557	199,943	(28,386)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	51,974	57,325	5,351	9%	Salaries, Benefits, PR Tax	51,974	50,385	(1,589)	-3%
Repairs & Maintenance	6,855	7,690	835	11%	Repairs & Maintenance	6,855	5,147	(1,708)	-33%
Contracted Services	23,159	22,795	(364)	-2%	Contracted Services	23,159	20,859	(2,300)	-11%
Insurance	9,955	10,481	526	5%	Insurance	9,955	8,920	(1,035)	-12%
Pool expenses	15,916	8,532	(7,384)	-87%	Pool expenses	15,916	7,441	(8,475)	-114%
Other Expenses (incl taxes)	12,587	11,229	(1,358)	-12%	Other Expenses (incl taxes)	12,587	994	(11,591)	-1166%
Total General Expenses	120,446	118,052	(2,394)		Total General Expenses	120,446	93,746	(26,698)	
<b>General Net Income</b>	<b>\$ 51,111</b>	<b>\$ 27,676</b>	<b>\$ 23,435</b>	<b>85%</b>	<b>General Net Income</b>	<b>\$ 51,111</b>	<b>\$ 106,197</b>	<b>\$ (55,086)</b>	<b>-52%</b>
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 91,620	\$ 91,440	\$ 180	0%	Revenue - Water Use Fees	\$ 91,620	\$ 121,200	\$ (29,580)	0%
Revenue - All Other Sources	1,703	2,000	(297)	-15%	Revenue - All Other Sources	1,703	2,879	(1,176)	-41%
Total Water Revenue	93,323	93,440	(117)		Total Water Revenue	93,323	124,079	(30,756)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	23,274	25,895	2,621	10%	Salaries, Benefits, PR Tax	23,274	23,374	100	0%
Repairs & Maintenance	4,563	2,640	(1,923)	-73%	Repairs & Maintenance	4,563	2,613	(1,950)	-75%
Contracted Services	6,460	6,276	(184)	-3%	Contracted Services	6,460	19,225	12,765	66%
Insurance	6,117	5,853	(264)	-5%	Insurance	6,117	5,650	(467)	-8%
Other Expenses (incl taxes)	12,238	15,220	2,982	20%	Other Expenses (incl taxes)	12,238	10,780	(1,458)	-14%
Total Water Expenses	52,652	55,884	3,232		Total Water Expenses	52,652	61,642	8,990	
<b>Water Net Income</b>	<b>\$ 40,671</b>	<b>\$ 37,556</b>	<b>\$ 3,115</b>	<b>8%</b>	<b>Water Net Income</b>	<b>\$ 40,671</b>	<b>\$ 62,437</b>	<b>\$ (21,766)</b>	<b>-35%</b>
<b>Marina</b>					<b>Marina</b>				
Revenue - Marina Moorage	\$ 44,546	\$ 44,120	\$ 426	0%	Revenue - Marina Moorage	\$ 44,546	\$ 42,231	\$ 2,315	0%
Revenue - All Other Sources	12,962	13,060	\$ (98)	-1%	Revenue - All Other Sources	12,962	11,524	1,438	12%
Total Marina Revenue	57,508	57,180	328		Total Marina Revenue	57,508	53,755	3,753	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	4,458	5,915	1,457	25%	Salaries, Benefits, PR Tax	4,458	1,081	(3,377)	-312%
Repairs & Maintenance	537	887	5,135	39%	Repairs & Maintenance	537	1,329	1,764	60%
Contracted Services	898	1,820	922	51%	Contracted Services	898	1,956	1,058	54%
Insurance	2,015	2,876	861	30%	Insurance	2,015	2,058	43	2%
Other Expenses (incl taxes)	5,017	8,315	3,298	40%	Other Expenses (incl taxes)	5,017	6,103	1,086	18%
Total Marina Expenses	12,925	19,813	11,673		Total Marina Expenses	12,925	12,527	574	
<b>Marina Net Income</b>	<b>\$ 44,583</b>	<b>\$ 37,367</b>	<b>\$ 7,216</b>	<b>19%</b>	<b>Marina Net Income</b>	<b>\$ 44,583</b>	<b>\$ 41,228</b>	<b>\$ 3,355</b>	<b>8%</b>
Interest Income - Reserves	436	-	436		Interest Income - Reserves	436	496	(60)	-12%
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 136,802</b>	<b>\$ 102,599</b>	<b>\$ 34,202</b>	<b>33%</b>	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 136,802</b>	<b>\$ 210,358</b>	<b>\$ (73,557)</b>	<b>-35%</b>

\*\*Modified Cash Basis, Excludes Depreciation

KCK 01/16/14

**Manager's Report – Art Burke**

Jefferson County Public Health conducted their annual inspection of the pool facility. No problems were encountered. An operating permit has been issued.

Jefferson County Public Health has begun monitoring shellfish along our beaches. Signs will be posted in the parking areas and bulletin boards if a problem is encountered that effects the consumption of shellfish.

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The office septic system has been inspected and the clubhouse/pool septic tank has been pumped and will be inspected early next week. Risers will be added to the clubhouse/pool tanks next week to bring them into compliance with regulations.

After a lengthy period of having electrical issues at the south marina docks and workshop area, the Public Utility District replaced the transformer at the south parking lot and repaired ground connections at the workshop. Since that time we have continued to have problems at the workshop and the PUD has been contacted to further investigate.

Water Manager Greg Rae met with the engineer from NTI to fulfill the last requirement of obtaining approval from the WA State Department of Health to have Well #8 go into production. We are hopeful that this will occur in the near future.

Final work was completed on obtaining a 10 year permit from the Corp of Engineers to allow annual maintenance dredging and other work at the Marina. Thanks to Gary Rossow for guiding this process through the various local, state and federal offices.

Dredging of the Marina channel began on Thursday and will be completed on Friday. Additional work related to the north and south seawall will be undertaken early next week. This work will include the placement of rock.

Office projects being worked on include:

- Sharon is working with the Water Committee and two community volunteers on the development of an access database to track cross connection control program objectives.
- Election packets were developed and provided to the Election Committee for mailing on June 6<sup>th</sup>.

Miscellaneous projects taking place in the community include:

- The second cycle of vacant lot mows got underway this week and should be completed on Friday. The third and final mowing of the year is scheduled in August.
- In between grass mowing of common areas and road right of ways, work continues on roadway edge cutting.

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

- Property maintenance complaint in the Village.
- Dog barking complaint in the Highlands.
- Dog off leash in the Highlands.

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JUNE 12, 2014  
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**Committee Reports**

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

**Information Items:**

- A. The Trustees reviewed draft Sports Court rules and directed the Manager to publish the document as amended in the next newsletter for member comment. Any comment received will be reviewed at the July Study Session.
- B. The Trustees considered a member's written complaints and proposed solutions concerning the sport court. The Trustees decided to take no action on these proposals.
- C. The Trustees reviewed comments received from community members and the Marina Committee concerning the Washington State Parks Clean Vessel Grant Program. At the conclusion of discussion it was decided to not move forward with further consideration of the grant program.
- D. The Trustees deferred a decision on the building regulation violation at 41 Dennis Blvd. to the July meeting.
- E. The Trustees reviewed the first draft summaries of the reserve studies for General, Water and Marina. They directed the Manager to work with the appropriate committees to review and provide comment by the July 8th Study Session.

**Member Participation**

There was no member participation

**New Business Action Items**

**Motion 1:** Penny Jensen moved and Carol Wood seconded to allow the Fitness Center Committee to install a 3M polarizing window film to all of the exterior windows of the Fitness Center to be paid from their fund raising account. Passed 5/1

**Motion 2:** Ross Anderson moved and Ray Pierson seconded to approve changes to Cape George Rule CP03 Marina Usage as published in the June newsletter and amended this week. Passed 6/0

**Motion 3:** Penny Jensen moved and Karen Krug seconded to authorize the signing of consent letter allowing the Manager to file annual reports and updates with the Secretary of State's office. Passed 6/0

**Motion 4:** Michael Hinojos moved to approve Resolution No 06-01-14 to transfer \$659.45 from the South Seawall Special Assessment Account to General Checking Account for the South Seawall Replacement Project, Northwest Chainlink Fence - \$659.45. Passed 6/0

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JUNE 12, 2014  
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**Motion 5:** Michael Hinojos moved and Ray Pierson seconded to approve Resolution No. 06-02-14 to transfer \$14.13 from Marina Reserves to General Checking account and \$42.39 from North Seawall Special Assessment account to General Checking account for the North Seawall Replacement Project, Henery Hardware - \$56.52. Passed 6/0

**Motion 6:** Based on the authority of the April 2014 Washington State Supreme Court case of Wilkinson v. Chiwawa, Ray Pierson moved and Karen Krug seconded that the Board immediately discontinue all efforts to impose private property maintenance regulations on members. The Wilkinson decision held that, unless a covenant is in place that allows for new land restrictions, new restrictions on private land may only be imposed based on the unanimous consent of the members. If new state statutes are enacted that change the law, the Board may revisit the issue. The board should pursue the promotion of voluntary property maintenance standards. Defeated 2/3/2

**Open Board Discussion**

The Board discussed next steps with property maintenance regulations.

There was also discussion on whom to send Cape George election ballots when the member is deceased. The Board directed the Manager to discuss this with our attorney.

**Announcements**

- A. Study Session – July 8, 3:00 P.M.
- B. Board Meeting – July 10, 7:00 P.M.
- C. Membership Meeting – July 19, 2:00 P.M.
- D. Special Board Meeting – July 19, 3:00 P.M.

**Adjournment**

Penny Jensen moved and Michael Hinojos seconded to adjourn the meeting at 7:50 p.m. Passed 6/0

**Submitted by:**

**Approved by:**

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**Carol Wood, Secretary**

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**Richard Hilfer, President**

CAPE GEORGE COLONY CLUB  
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7:00 PM

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JUNE 12, 2014  
7:00 PM  
COMMITTEE REPORTS**

**BUILDING COMMITTEE  
JUNE 2, 2014**

**Building Permits issued**

1. Greg Rutz, 511 Dennis Blvd, ancillary structure permit
2. Joyce Cardinal, 11 N Palmer, Earthworks and entryway addition permit

**Earthworks Permits issued**

1. Marta Favati, 451 Sunset, permit for driveway apron
2. George Bailey, 290 Dennis Blvd, permit for driveway apron
3. Flo Palumbo, 101 Ridge Drive, permit for driveway apron
4. Mike Heckinger, 170 Sunset, perform for test holes

**MARINA COMMITTEE  
JUNE 3, 2014**

**Attendees:** Cape George Manager Art Burke, Harbormaster Mac McDonald, Acting Marina Committee Chair John Hanks, Penny Jensen, Paul Happel, Jack Scherting, Thad Bickling, Bob Skoien, Ross Anderson, Gary Rossow, Ken Owens, Bob Frenette and Martha Favati.

The meeting was called to order at 11:00a.m.

John Hanks sat in as acting Chairperson in Tom Ramsey's absence. Tom has given his resignation, as of September 1, as Marina Committee Chair. John asked for nominations for the chair position by the July meeting at which time a vote will be taken.

John requested email addresses and up to date telephone numbers of all marina users. This request is to make a more direct communication from the Chairperson to marina users on actions and activities that are taking place in the marina. These e-mail addresses will be held confidentially by the Chairperson.

John asked that a set agenda process be adopted for the monthly meetings whereas; new and / or breaking news concerning the marina be discussed; discussions and updates of existing projects; new business that we should or should not take further action on.

John also suggested that projects that are in-work or to be worked in the future be prioritized and posted prior to each work session. The Harbormaster or Chairperson would insure volunteers with the proper abilities know what work needs to be accomplished on that work day



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Bob Tilly and Jim Bodkin dove on the anchor for the mooring and discovered that the chain disconnected from the anchor and the anchor floated north in a heavy wind storm.

The contractor who placed the last anchor and mooring ball will install a new system on the anchor. for \$430.00. A motion was proposed by Bob Frenette and seconded by Thad Bickling to replace the system. The vote was unanimously approved and a request has been made to the Cape George Board for approval. Mac suggested that a yearly inspection be made on the mooring systems by a contractor to check for wear on the system. These inspections will be added to next year's budget request.

The Clean Vessel Program for installing a boat pump out system was turned down because of the requirement to opening the marina to public use.

The Jefferson County Fire District has been approved by the Cape George Board to place a inflatable hard bottomed boat in the marina. Also approved is the placement of a shed to house equipment needed for the boat.

Marta Favati graciously volunteered to paint the shop door blue.

Double D Electric was requested to check out the electric panel at the south side of the marina after which it was determined there was a problem with the PUD transformer and grounding cables. The Jefferson County PUD replaced the transformer and put a new ground at the pole they also checked the transformer and ground wiring on the north end of the marina.

Dredging will take place in the marina entrance on June 12 and 13, The contractor will also place rip rap rock next to the west end of the new seawall. The Ken Owens and other marina volunteers will weld the required zincs onto the seawalls. At this time steel numbers, graciously donated by Mike Heckinger, will be welded onto the east and west ends of the north seawall that will identify the tide level in the channel. To accomplish this process a portable welder will be rented with 100 foot cables to reach the north and south side of the seawall.

Paul Happel designed a poster for the Water Front Festival. The marina committee will purchase 6 posters at cost with their discretionary funds from the marina sale.

Meeting adjourned at 12:15pm

**WATER COMMITTEE  
JUNE 3, 2014**

CAPE GEORGE COLONY CLUB  
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The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water System Manager; Larry Southwick, Committee Chair; and members Stewart Pugh and Thad Bickling.

1. Greg and Larry had just completed a meeting to work on the database for the cross connection control program. We have two other community members with expertise in database design working on it. We discussed the materials to be sent out to members and made a few final edits. The AWWA brochure and the newsletter article will be sent out for color printing and folding. We'll print the letter and questionnaire in house. We'll need some volunteers to help stuff envelopes next week for the mailing.

Larry will meet with County staff to see how we can tie into the building permit process to provide input regarding cross connections and gather information up front for our program.

2. Water Rights –Art called Bill Clarke, our attorney for dealing with DOE on water rights, and he had nothing new to report. We're still waiting for DOE's final review and approval.
3. Well 8 – everything is physically complete and ready to start operation. The water quality test was good and now we're waiting for Bob Leach to finalize the engineering report to submit to DOH for final approval.
4. Stew has set up a bench test model for a PLC (programmable logic control – a mini-computer) system for the booster pump station to replace the current switching system. Once he's got it working in test mode, we'll have an electrician purchase the components and wire it.
5. Stew reported that the last billing cycle was normal for detected leaks but expects more activity now that the irrigation season is beginning.
6. Donnie has been making some repairs and painting the buildings at the tank farm.

The next meeting will be on **July 1, 2014 at 5 pm at the Office.**

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
JULY 10, 2014  
7:00 PM

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

- A. Welcome
- B. Ballots for Trustee elections must be received in the Cape George office by 2:00 p.m. Thursday, July 17.
- C. Update on Waterfront Festival.

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

**Action on Minutes:** Carol Wood moved and Ray Pierson seconded to approve the June 12, 2014 Board Meeting Minutes. Passed 5/0

**Membership Report:** Carol Wood

- Calah Tenney purchased 251 Saddle Drive from Michael Conley and Marti Evans
- Yolanda and Isabel Aguirre purchased 150 N. Rhododendron from Alton and Sharon Mattioli
- Larry & Trisha Davis purchased 60 Maple Drive and lot 19-4 Maple Drive from Anne and Susan Stoltz
- Robert Cameron purchased 151 Hemlock and Lot 46-3 Hemlock from Richard & Patricia Daley

**Treasurer's Report:** Karen Krug

See next page

# CAPE GEORGE COLONY CLUB BOARD OF TRUSTEES MEETING JULY 10, 2014 7:00 PM

## TREASURER'S REPORT As of June 30, 2014

This month's Treasurer's report will be modified in light of the upcoming annual meeting. Activities through June 30, 2014 will be included in the annual Treasurer's Update.

Seawall results presented below are still preliminary and therefore subject to minor change before finalized.

### NORTH SEAWALL PROJECT FINANCIAL UPDATE

<b>Special Assessment Cash Balance:</b>		<b>Marina Reserve Contribution:</b>	
Special Assessment collections - 6/30/2014	\$291,363	Total (99.1% of \$100,000)	\$99,100
Plus: Interest income since inception	469	Less: Actual draws (6/30/14)	(88,109)
Less: Actual draws for expenses (6/30/14)	(264,365)	Maximum Remaining Contribution(6/30/14)	\$10,991
Net Cash In Special Assessment Account	<u>\$27,467</u>		
GL Balance (1108-007 ) 6/30/14	<u>\$27,467</u>	GL Balance (1108-003 ) 6/30/14	<u>\$16,307</u>
Anticipated Remaining Project Expenses (75%):		Anticipated Remaining Expenses (25%):	
Actual expenditures not yet drawn	(\$3,898)	Actual expenditures not yet drawn	(\$1,293)
Contingency for minor items	(569)	Contingency for minor items	(190)
Probable remaining draws	(4,467)	Probable remaining draws	(\$1,483)
Probable Refund to Members	<u>\$23,000</u>	Probable Marina Reserve Balance	<u>\$14,824</u>

Possible per lot refined between \$32 and \$34 depending on final bad debts.

### SOUTH SEAWALL PROJECT FINANCIAL UPDATE

Total Special Assessment approved by Members		\$99,300	<b>Internal Reserve Borrowing:</b>	
662 equivalent lots @ \$150 each; payable over 2 yrs. Potential for \$2,000 in Bad Debts			Loan from General Fund (1108-001)	\$92,650
			Less: Principal repayments thru 6/30/14	(22,038)
			Remaining balance (excluding interest)	<u>\$70,612</u>
Cash collected thru 6/30/14	\$33,434		Due to General Reserve (2170-008)	\$70,612
Due from General Cash	90			
Past due Receivable (1250-008) 6/30/14	439			
Future Receivables(1250-008) 6/30/14	65,337	<u>\$99,300</u>		
Cash collections thru 6/30/14 plus variance	\$33,434		Project expenses not yet drawn:	
Plus: Internal loan from General Reserves	92,650		Gravel fill	(\$4,398)
Less: Actual draws for expenses thru 6/30/14	(94,535)		Potential cap - *** SEE BELOW	(2,500)
Principal loan repayment thru 6/30/14	(22,038)		Contingency for minor expenses	(500)
Interest expense on internal borrowing	(130)		Remaining interest(life of loan)	(350)
Net cash - South Seawall Special Assessment	<u>\$9,381</u>		Probably remaining draws	(\$7,748)
GL Account Balance (1108--007) 6/30/14	<u>\$9,381</u>		***Probable Refund to Members	\$1,633

Probably little, if any, refund since bad debts have not yet been analyzed. If there is any refund it will not occur until 4th quarter 2015 and would be between \$1 and \$3.

# CAPE GEORGE COLONY CLUB

## BOARD OF TRUSTEES MEETING

### JULY 10, 2014

### 7:00 PM

#### CAPE GEORGE COLONY CLUB

#### Balance Sheet as of June 30, 2014 and 2013

Assets	2014	2013	Liabilities and Fund Balances	2014	2013
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 86,942	\$ 142,813	Accounts Payable & Other Liabilities	\$ 13,543	\$ 21,650
Operating Investment-Savings	70,029	70,008	Unearned Income General/Water/Etc.	81,050	28,152
Petty Cash (2 accounts)	610	600	Unearned Income Other	675	-
Reserves - General, Water & Marina	321,483	400,027	Unearned Income Marina Wait List	500	500
Special Reserves - S. Seawall & Berm	43,601	-	Due to General Reserve (Loan)	70,612	-
North Seawall Special Reserve	27,467	245,489	Total Current Liabilities	166,380	50,302
Total Cash & Equivalents	550,132	858,937			
			North Seawall Assessment Liability	293,928	293,928
Net Accounts Receivable	8,649	10,783	South Seawall Assessment Liability	99,300	-
Due from S. Seawall Reserve (Loan)	70,612	-			
SpclAssmnts Rcvbl(Berm, N&S Seawall)	66,249	40,789	<b>FUND BALANCES:</b>		
Total Net Fixed Assets	1,843,574	1,485,759	Fund Balances (Combined)	1,926,417	1,924,204
Total Prepaid & Other Assets	40,935	40,737	Modified Cash Basis Annual Income	94,126	168,571
<b>TOTAL ASSETS</b>	<b>\$2,580,151</b>	<b>\$2,437,005</b>	<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,580,151</b>	<b>\$ 2,437,005</b>

#### Summary Revenue and Expense Statements for the periods ended June 30 (Modified Cash Basis)

2014 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2014 YTD	2013 YTD	Variance	%
Revenue-General Assessmnt	\$ 137,696	\$ 137,696	-	0%	Revenue-General Assessmnt	\$ 137,696	\$ 176,569	\$ (38,873)	-22%
Revenue - All Other Sources	38,053	12,614	25,439	202%	Revenue - All Other Sources	38,053	30,506	7,547	25%
Total General Revenue	175,749	150,310	25,439		Total General Revenue	175,749	207,075	(31,326)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	63,792	68,789	4,997	7%	Salaries, Benefits, PR Tax	63,792	61,329	(2,463)	-4%
Repairs & Maintenance	9,819	9,075	(744)	-8%	Repairs & Maintenance	9,819	14,321	4,502	31%
Contracted Services	27,853	28,850	997	3%	Contracted Services	27,853	26,523	(1,330)	-5%
Insurance	11,272	11,828	556	5%	Insurance	11,272	10,203	(1,069)	-10%
Pool expenses	16,814	12,450	(4,364)	-35%	Pool expenses	16,814	8,161	(8,653)	-106%
Other Expenses (incl taxes)	14,127	11,405	(2,722)	-24%	Other Expenses (incl taxes)	14,127	7,641	(6,484)	-85%
Total General Expenses	143,677	142,397	(1,280)		Total General Expenses	143,677	128,178	(15,497)	
<b>General Net Income</b>	<b>\$ 32,072</b>	<b>\$ 7,913</b>	<b>\$ 24,159</b>	305%	<b>General Net Income</b>	<b>\$ 32,072</b>	<b>\$ 78,897</b>	<b>\$ (46,825)</b>	-59%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 91,620	\$ 91,440	\$ 180	0%	Revenue - Water Use Fees	\$ 91,620	\$ 121,200	\$ (29,580)	0%
Revenue - All Other Sources	1,703	2,000	(297)	-15%	Revenue - All Other Sources	1,703	4,819	(3,116)	-65%
Total Water Revenue	93,323	93,440	(117)		Total Water Revenue	93,323	126,019	(32,696)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	27,595	31,076	3,481	11%	Salaries, Benefits, PR Tax	27,595	27,889	294	1%
Repairs & Maintenance	4,754	3,140	(1,614)	-51%	Repairs & Maintenance	4,754	2,613	(2,141)	-82%
Contracted Services	7,085	7,281	196	3%	Contracted Services	7,085	23,213	16,128	69%
Insurance	7,022	6,423	(599)	-9%	Insurance	7,022	6,575	(447)	-7%
Other Expenses (incl taxes)	15,075	18,275	3,200	18%	Other Expenses (incl taxes)	15,075	15,977	902	6%
Total Water Expenses	61,531	66,195	4,664		Total Water Expenses	61,531	76,267	14,736	
<b>Water Net Income</b>	<b>\$ 31,792</b>	<b>\$ 27,245</b>	<b>\$ 4,547</b>	17%	<b>Water Net Income</b>	<b>\$ 31,792</b>	<b>\$ 49,752</b>	<b>\$ (17,960)</b>	-36%
<b>Marina</b>					<b>Marina</b>				
Revenue - Marina Moorage	\$ 44,546	\$ 44,620	\$ (74)	0%	Revenue - Marina Moorage	\$ 44,546	\$ 43,397	\$ 1,149	0%
Revenue - All Other Sources	13,257	13,330	\$ (73)	-1%	Revenue - All Other Sources	13,257	11,849	1,408	12%
Total Marina Revenue	57,803	57,950	(147)		Total Marina Revenue	57,803	55,246	2,557	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	5,615	7,098	1,483	21%	Salaries, Benefits, PR Tax	5,615	4,777	(838)	-18%
Repairs & Maintenance*	14,047	12,765	(1,282)	-10%	Repairs & Maintenance	14,047	1,388	1,764	-912%
Contracted Services	1,008	2,083	1,075	52%	Contracted Services	1,008	2,647	1,639	62%
Insurance	2,238	3,249	1,011	31%	Insurance	2,238	2,278	40	2%
Other Expenses (incl taxes)	5,076	5,462	386	7%	Other Expenses (incl taxes)	5,076	5,080	(16)	0%
Total Marina Expenses	27,984	30,657	2,673		Total Marina Expenses	27,984	16,150	2,589	
<b>Marina Net Income</b>	<b>\$ 29,819</b>	<b>\$ 27,293</b>	<b>\$ 2,526</b>	9%	<b>Marina Net Income</b>	<b>\$ 29,819</b>	<b>\$ 39,096</b>	<b>\$ (9,277)</b>	-24%
Interest Income - Reserves	436	-	436		Interest Income - Reserves	436	826	(390)	-47%
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 94,120</b>	<b>\$ 62,451</b>	<b>\$ 31,668</b>	51%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 94,120</b>	<b>\$ 168,571</b>	<b>\$ (74,452)</b>	-44%

\*For this presentation, full budgetd amount for Dredging Included in Budget column

\*\*Modified Cash Basis, Excludes Depreciation

BOOK 07/15/14

**CAPE GEORGE COLONY CLUB  
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**Manager's Report:** Art Burke

The pump serving the septic system at the Clubhouse/Pool building failed, resulting in the tanks becoming filled to the top. This was discovered early Saturday morning on a weekend when two memorial services were planned. Fortunately between Donnie and member Mac McDonald, we were able to get the tank pumped and enact the steps necessary to allow both events to continue without any problems. A Special Thanks to Mac McDonald for stepping in and saving the day.

I have spoken to Jefferson County Community Development regarding the permit application that was initiated for the engineered berm at our developed shoreline area. The projected timeline for completion is as follows:

- Notice phase – 30 days, July 8 – August 8
- Hearing prep – 5 weeks, August 11 – September 15
- Hearing Examiner makes decision – 2 weeks, September 15 – 29
- Permit approved – October

This timeline is based on not receiving actionable comment during the notice phase and hearing.

We have received final approval from the Department of Health to begin operation of Well #8. This well was originally drilled in the later part of 2011 however, due to challenges encountered in receiving approval of our Water System Plan, this project was delayed. By the time this report is published, members in the community will be drinking Well #8 water.

I attended a presentation through the Community Association Institute on the Uniform Common Interest Ownership Act (UCIOA) that is working its way through committee and may be presented to our Legislators sometime this year. Common interest associations include homeowners associations, condominium associations and other types of planned developments. The basis behind this most recent attempt at revising UCIOA as it applies to homeowners association is oriented toward amending governing documents, amending declarations, unit boundaries and powers of the association.

One of the windows in the Clubhouse was damaged as the result of someone attempting to open the window without removing the security dowel. Groves Glass will be making repairs to the window frame and also replacing three windows with broken seals.

Office projects being worked on include:

- Larry Southwick, with the help of the Election Committee, (long known for their ability to efficiently process a large bulk mailing project) sent out over 500 Water Connection surveys last month. Over 200 of those forms have been returned.
- Our Water Manager, Greg Rae; Office Administrator, Sharon Mitchel; Water Committee Chair, Larry Southwick; and Bob Frenette have teamed up to build a Water System Database to manage our water cross connection records. Bob has worked tirelessly to complete the first

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phase of programming our database. Kris Shapiro input data this morning and found the system to be very easy to use. A hearty thank you to Bob and our other volunteers for their outstanding work.

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

- Report of a kayak stolen off the storage rack at the Marina.
- Report of an attempted breaking and entering in the Colony.
- Complaint of loud music being played in the pool.
- Complaint of trees overhanging property line and creating a visual hazard in the Colony.
- Complaint concerning storage of objects on common property.
- Dog barking complaint in the Colony.
- Multiple property maintenance complaints in the Village.
- Multiple hedge complaints in the Village.
- Hedge complaint in the Colony.

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

**Information Items:**

- A. The Trustees directed the Building Committee to develop a list of violations/issues related to the building project at 41 Dennis Blvd for review at the July 19 Special Board Meeting.
- B. The Trustees reviewed information related to a request to allow a Petanque/Bocce court to be installed on common property in the vicinity of the horseshoe pits. The Trustees directed the Manager to place an article in the newsletter to determine the interest for this activity.
- C. The Trustees received background information and draft policies related to adopting a conflict of interest policy for the Board. This information will be further discussed at the August Study Session.
- D. The Trustees reviewed proposed changes to CP03 Marina Usage and after discussion requested the rule be rewritten and resubmitted at the August Study Session.
- E. The Trustees briefly discussed obtaining outside representation for professional collection services. A small committee will be assembled to gather additional information on service providers and report back to the Board.

**Member Participation:** There was no member participation

**New Business Action Items:**

**Motion 1:** Penny Jensen moved and Michael Hinojos seconded to allow owners of 60 Maple Drive to occupy the structure onsite for a period of three months while building permits are being obtained for the construction of a single family residence, with a review to take place at the August Study Session.  
Passed 5/0

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**Motion 2:** To improve the existing safety of the new south seawall, Karen Krug moved and Penny Jensen seconded as amended, that a steel cap, similar to the cap on the north seawall be installed using volunteer labor and purchased material with costs not to exceed \$2600 with funds from the South Seawall Special Assessment Account. Passed 5/0

**Motion 3:** Penny Jensen moved and Ray Pierson seconded to approve the receipt of one gangway grating valued at \$1042.04 and three dock carts valued at \$1256.86 donated to the community by the Marina Committee using their Marina Fundraising Fund. Passed 5/0

**Motion 4:** Carol Wood moved and Michael Hinojos seconded to approve the draft Cape George rule CP21 Sports Court Rules as amended during Study Session discussion. Passed 5/0

**Motion 5:** Karen Krug moved and Michael Hinojos seconded that the Board ratify the changes outlined in the attached document "Recommended changes to 2014 Preliminary Reserve Studies," and that the changes, along with supporting documentation as discussed in the notes be forwarded to the external consultant RDA for adjustment to the 2014 Reserve Studies. Passed 5/0

See document on next page



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I move that the Board ratify the changes outlined below and that the changes, along with supporting documentation as discussed in the notes, be forwarded to the external consultant, RDA for adjustment to the 2014 Reserve Studies.

Recommended changes to 2014 Preliminary Reserve Studies											
DESCRIPTION FROM:	Use Life	+/- Adj	Rem Life	Current Cost		DESCRIPTION TO:	NOTE	Use Life	+/- Adj	Rem Life	Current Cost
GENERAL RESERVES											
Asphalt Overlay - Colony 2020	20	5	6	240,179		Asphalt Overlay - Cycle 1(Ridge/Dennis-2030)	1	50		16	139,015
Asphalt Overlay - Colony 2025	20	10	11	240,179		Asphalt Overlay - Cycle 2(CGD, N/S Palmer-2035)	1	50		21	203,317
Asphalt Overlay - Colony 2030	20	15	16	240,179		Asphalt Overlay - Cycle 3(Sunset/Saddle-2040)	1	50		26	136,637
Asphalt Overlay - Highlands 2020	20	5	6	101,774							
Asphalt Overlay - Highlands 2025	20	10	11	101,774							
Asphalt Overlay - Highlands 2030	20	15	16	101,774							
Asphalt Overlay - Village 2020	20	5	6	128,708							
Asphalt Overlay - Village 2025	20	10	11	128,708							
Asphalt Overlay - Village 2030	20	15	16	128,708							
Asphalt Repairs - Colony	6		3	14,751		Major Asphalt Repairs - Secondary Roads (2031)	1	50		17	20,000
Asphalt Repairs - Colony	6		3	6,250		Major Asphalt Repairs - Secondary Roads (2036)	1	50		22	20,000
Asphalt Repairs - Colony	6		3	7,905		Major Asphalt Repairs - Secondary Roads (2041)	1	50		26	20,000
Roofs - Gutters, Maintenance Bld	18		5	828		Roofs - Gutters, Maintenance Bld, Unfrd	2	18		5	0
Pool - Heat Pump System	14	0	9	22,360		Pool - 2 Heat Pumps	3	14	0	9	18,720
						Pool - Power ventilator/dehumidification	3	15	2	2	75,000
Sports Court - Resurfacing	6		5	786		Sports Court Resurfacing	2	6		5	0
Building Replacement-Clubhouse	55	0	26	896,256		Building Replacement - Clubhouse	4	55	4	29	896,256
Building Replacement-Maintenance	55	0	42	67,791		Building Replacement - Maintenance	5	55	0	42	0
Building Replacement-Workshop	55	10	11	0		Building Replacement - Workshop	6	55	20	29	126,629
WATER RESERVES											
Maint Bldg - Replacement	55	0	42	67,791		Maint Bldg - Replacement	5	55	0	42	0
Water Storage Tank Replacement	50	0	42	59,280		Water Storage Tank Replacement	5	50	0	42	0
Water Meter Battery Replcmnt	20	0	14	103,200		Water Meter Battery Replacement	7	20	-5	14	72,240
Water Meter Replacement	50	0	34	309,600		Water Meter Base Replacement	5	50	0	44	0
Well #6 Replacement	50	0	34	31,200		Well #6 Replacement	5	50	0	34	0
Well #8 Replacement	50	0	50	31,200		Well #8 Replacement	5	50	0	50	0
						Water System Delivery Pipes - Phase 1 (1/4)	8	50	21	21	720,000
						Water System Delivery Pipes - Phase 2 (1/4)	8	50	26	26	720,000
						Water System Delivery Pipes - Phase 3 (1/4)	5	50	31	31	0
						Water System Delivery Pipes - Phase 4 (1/4)	5	50	36	36	0

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I move that the Board ratify the changes outlined below and that the changes, along with supporting documentation as discussed in the notes, be forwarded to the external consultant, RDA for adjustment to the 2014 Reserve Studies.

Recommended changes to 2014 Preliminary Reserve Studies										
DESCRIPTION FROM:	Use Life	+/- Adj	Rem Life	Current Cost	DESCRIPTION TO:	NOTE	Use Life	+/- Adj	Rem Life	Current Cost
MARINA RESERVES										
Dock - Deck Float Replacement	1	0	0	3,500	Dock - Float Rplcmnt - Series 1 (82pr @\$340/)	9	20		18	27,726
					Dock - Float Rpacment - Series 2 (100pr@\$350)	9	20		5	35,000
Dock Replace - Water/Electrical	20	3	1	32,300	Dock Replace - Water	10	20	5	5	4,000
					Dock Replace - Electrical (Ped & Installation)	10	20	5	5	75,000
					Dock Replace - Wood Pilings	11	30	15	12	210,000
Dock Replace - Wood Pilings 2011	30		27	33,390						
Dock Replace - WP 2012-2026	30		12	133,560						
Gangway Replacement - North	25	0	13	3,650	Gangway Replacement - North (2012)	12	30		28	3,650
Gangway Replacement - South	25	7	8	3,650	Gangway Replacement - South (2014)	12	30		30	3,650
Mooringg Buoys - Helix	10		8	5,200	Mooring Buoys - Helix (2)	13	10		8	6,400
Seawall, North Replacement	35		35	400,000	Seawall, North Replacement	14	50		50	0
Seawall, South Replacement	35		35	400,000	Seawall, South Replacement	14	50		50	0

**NOTES:**

- (1) See detail in 7/3/14 memo from Roads Committee. Currently asphalt is 5" with virtually no commercial traffic. Overly primary roads only with provisions for major repair to secondary roads.
- (2) Amount below capital threshold and will be treated as an operating expense. Include item on inventory with no current cost.
- (3) Split item into two elements. Increase current cost for air exchanger/dehumidification system currently in planning stages; vendor estimated cost.
- (4) Increase remaining useful life of Clubhouse for long-term replacement or major renovation purposes.
- (5) No item with remaining useful life greater than 30 years should have a value included in "current replacement cost column." Include item in inventory detail. See also RCW 64.38.065(1).
- (6) Add back long-term replacement and/or major renovation of Community Workshop. Listed values used current estimated cost/square foot similar to Maintenance building.
- (7) Water committee discussion with vendors, 20 yr. useful life on battery/register and 40 year useful life for brass base meter. See also Note 5.
- (8) See detail in 7/7/14 memo from Water Committee. Underground water pipes are 50 years old and likely that some portion will need to be replaced over the next 30 years. Total replacement broken into four phases. See also Note 5.
- (9) Float replacement estimated useful life changed. Broken into recent replacement and floats not yet replaced with current project.
- (10) Per Marina members, separated item into distinct elements. Electrical portion currently in planning stages; using vendor estimated cost.
- (11) Assumes all 35 pilings will be replaced simultaneously to minimize mobilization costs. Marina members provided cost estimate.
- (12) Due to recent replacements (2012 and 2014) changed useful life.
- (13) Current cost estimate per Marina members.
- (14) Seawalls were replaced in 2014; per contractor expected life of 50 years (See Note 5). For detail inventory documentation, the North Seawall cost was \$360,000 and South Seawall cost was \$100,000.

2 of 2

**Motion 6:** Penny Jensen moved and Ray Pierson seconded to approve Resolution No. 07-01-14 to transfer \$4398.39 from the South Seawall Special Assessment Account to General Checking Account for the South Seawall Replacement Project, Central Welding-\$126.80 and Shearer Excavating-\$4271.59. Passed 5/0

**Motion 7:** Michael Hinojos moved and Karen Krug seconded to approve Resolution No. 07-02-14 to transfer \$749.28 from Marina Reserves to General Checking Account and \$2,247.85 from North Seawall Special Assessment Account to General Checking Account for the North Seawall Replacement Project, Central Welding-\$190.21, Cotton RediMix-\$164.32 and Shearer Excavation-\$2642.60. Passed 5/0

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**Motion 8:** Carol Wood moved and Penny Jensen seconded a motion to approve member request to extend deadline for obtaining an occupancy permit to September 1, 2014 at 41 N. Palmer Drive. Passed 5/0

**Reserve Assessment Funding Discussion:** Richard Hilfer. The Board discussed possible reserve assessment scenarios to be presented to the members this fall. They will not be requesting full funding. They agreed that to share the breakdown between the three cost centers.

**Open Board Discussion**

Carol Wood noted the election ballots will be counted on July 18<sup>th</sup>. As Secretary she would normally be present during the count. Since she is also a candidate, Karen Krug will substitute for Carol at the ballot counting.

This is Penny Jensen's final meeting as a Cape George Trustee. The Board thanked Penny for her service.

The Board also briefly discussed the proposed conflict of interest statement and their desire to keep the wording simple.

**Announcements:**

- A. Membership Meeting – July 19, 2:00 p.m.
- B. Special Board Meeting – July 19, 3:00 p.m.
- C. Study Session – August 12, 3:00 p.m.
- D. Board Meeting – August 14, 7:00 p.m.

**Adjournment:**

Penny Jensen moved and Karen Krug seconded to adjourn the regular board meeting at 7:45. Passed 5/0

**Submitted by:**

**Approved by:**

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Carol Wood, Secretary

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Richard Hilfer, President

CAPE GEORGE COLONY CLUB  
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**COMMITTEE MINUTES**

**ENVIRONMENTAL COMMITTEE  
JUNE 9, 2014**

**IN ATTENDANCE:** Art Burke, Gretchen Cooper, Sue Dunning, Dennis Fellner, Penny Jensen, Norma Lupkes, Kitty Rucker, Robin Scherting, Steve Shapiro

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

**II. APPROVAL OF MINUTES:** The May minutes were approved as read.

**III. FISCAL REPORT:** Activity this month included \$150 for plants for the office area and \$123 for a Scotch Broom eradicator tool to be available for community use leaving \$1,249 in the Environmental Committee Working Area and \$2,100.64 for the Berm.

**IV. OLD BUSINESS:**

- A. **Berm Report** – Art says that they are still waiting for approval from the county, so there is nothing new to report.
- B. **Newsletter Articles** – Articles on Scotch Broom eradication and summer watering will be submitted.
- C. **Review of Budget Request** – Kitty, Robin and Betty have not met yet to compile the budget request for the Board for the hiring of an individual to assist in heavy weeding at the clubhouse. They will meet in the near future.

**V. NEW BUSINESS**

- A. **Annual Beach Walk** – The beach walk will be held on July 11 at 9:00 am. Coffee and rolls will be provided by the Environmental Committee. Committee members
- B. **“Demise of the Honey Bees” Movie** – Betty has arranged for a showing of a movie on the disease affecting bees and its impact on the environment on June 11 at 7:00 pm in the clubhouse. The office will ensure that the black-out shades are put up before the event. Cookies and coffee will be provided by the committee.
- C. **Cape George Road Clean-up** – Ron Niccoli who has graciously chaired the event for several years has chosen not to do so this year. His leadership will be missed and the event has been tabled until arrangements are made to make this happen.
- D. **Committee Volunteer List** - The list was reviewed and will need updating.
- E. **October 11 Dinner** – We will begin working on the October dinner in August

**VI. ADJOURNMENT:** The meeting was adjourned at 10:30

Respectfully submitted: Norma J. Lupkes

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**MARINA COMMITTEE  
JULY 1, 2014**

The Marina Committee met Tuesday July 1, 2014, from 11 am to about 12:15 pm. About 18 members were present. Ross Anderson took the minutes.

John Hanks convened the meeting and raised the question of electing a new marina chair to succeed Tom Ramsey, who resigned. Hanks nominated Penny Jensen. There were no other nominations. Penny was elected unanimously and presided over the remainder of the meeting.

Mac McDonald reported that the steel to complete the seawall cap will arrive soon, so the project can be completed.

Mac also reported that kayak owners are not stepping up to care for the kayak storage racks. Penny and Ross Anderson will try to organize an effort to remedy the problem.

Gary Rossow reported that the new offshore mooring buoy will be installed soon at a price of about \$400.

It was announced that next year's marina sale will take place May 1 and 2, 2015.

Rossow reported that tide-level numerals have been welded onto the new seawall. He cautioned that the numbers reflect the tide level, not the depth of the channel.

John Hanks is continuing to compile a list of email addresses so boatowners can be contacted more efficiently.

Penny reported that the waterfront festival is scheduled for Aug 17, and she is seeking volunteers to help.

New grating for the ramp at the north end of the marina will be installed soon at cost of about \$1200, to be paid from proceeds from the marina sale.

Carl reported that he has had discussions with the local PUD about undergrounding the power lines at the south end of the marina. The lines make it unsafe to move sailboats. The PUD says the cost would be about \$4300, but the marina would have to dig the new trench and provide the necessary conduit.

The committee authorized Carl to continue exploring this possibility.

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A motion was made and seconded to allow boat owners to sublet their boat parking spaces at the south end if they sell their boats midyear. The motion passed, and will be presented to the Board of Trustees.

Mac requested a rule change that would allow him to evict boats with no registrations. This request will be taken up by the Board of Trustees.

**ROADS COMMITTEE  
JUNE 25, 2014**

ATTENDANCE: Art Burke, Manager; Ray Pierson, Board Liaison; Larry Southwick, Chair; Members Scott James, Robert Holtz and Varn Brooks.

1. Background. We have received all of the engineering files for Cape George roads and drainage projects from ADA Engineering of Poulsbo because they went out of business. This provides a basis for understanding the current condition and future needs for pavement management and other issues. We'll digitize all of the pertinent files and put them on our computer system for better access and archival.

One book in particular is the 1981 update of the Comprehensive Street Improvement Program that describes the conditions at that time as an update of the 1976 CSIP. The appendix contains the summary from that 1976 plan. Further review of the files may show what projects, if any, were constructed following those plans.

The primary CSIP for our current consideration was done in 1993 which did result in the major paving project of our current streets. A significant fact shown on the engineering plans and consistent with our experience is that the 1993 paving project was constructed with 3+ inches of asphalt treated base (ATB) and then a minimum of 1" asphalt overlay on top of that. The plan recommended paving by reconstructing the streets and paving with 2" of asphalt. The 3" of ATB plus 1" overlay was shown as an alternative. The Roads Committee recommended the 3" ATB approach and the members approved the assessment to fund it. The primary considerations were that the ATB alternative didn't disturb the existing street, didn't cause road closures for the construction period and avoided weather impacts to exposed subgrade. Fortunately for us now is that we have 5" or more of full depth asphalt pavement instead of 2".

For comparison purposes, Kala Point was paved around the same period with 2" of asphalt and they have to continually reconstruct their streets. They have a fully funded pavement reserve and annually repave streets according to their pavement management system and current needs. An inspection log of their streets shows a lot of

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deterioration whereas we don't see those problems. Most of our pavement repairs are for settlement of the underlying soil, not pavement degradation.

2. The primary purpose for today's meeting is to discuss the reserve study relative to funding future pavement overlays. The existing draft reflects the recommendation of the Roads Committee in 2011 which is to overlay every street with one third in 2020, 2025 and 2030. The cost of that plan is \$1.44M in current costs with correlating reserve deposits each year to fund the projects. That plan was rejected by the members in 2012.

The current proposal is to fund reserves for overlaying only the primary streets in 2030, 2035 and 2040. The remaining streets would be considered beyond the current 30 year funding period. The primary streets would be Cape George Drive, N & S Palmer, Sunset, Dennis, Ridge and Saddle. They get the most traffic including trucks while the side streets get relatively little and light traffic. Pavement life is directly related to traffic volumes and truck loading. The current cost for that approach is around \$525,000 as compared to the \$1.44M, with a monthly cost of \$3.45 per lot as compared to \$11.87 for the \$1.44M plan.

That proposal was approved and will be presented to the Board at their July 8 study session.

The Committee stressed the need for additional funding for periodic maintenance and repair that will extend the life of the pavements. For example, Pine Street and Ridge Drive will soon need repair for longer sections where the current pavement is settling and creating a bumpy drive.

We also need to address shoulder and ditch maintenance in a more comprehensive way. We should do a shoulder/ditch inspection and create a listing of repair/maintenance projects similar to the pavement management inspection/listing. That includes addressing blocked and damaged culverts. The primary consideration is that water soaking into the subgrade is a significant contributor to soil settlement and pavement repairs.

**Seawall Task Force**  
**June 20, 2014**

**Cape George Seawall Task Force Members:**

Bruce Candiotto, Chair	379- 2563	<a href="mailto:brucandi@cablespeed.com">brucandi@cablespeed.com</a> ,
John Hanks	379- 6572	<a href="mailto:johnthanks@q.com">johnthanks@q.com</a>
Paul Happel	379- 9119	<a href="mailto:paul_happel_9@msn.com">paul_happel_9@msn.com</a>
Gary Rossow	531- 2737	<a href="mailto:rossowgary@yahoo.com">rossowgary@yahoo.com</a>
Mike Heckinger	206- 459- 2233	<a href="mailto:mike@wcinsulation.com">mike@wcinsulation.com</a>

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Dick Poole	379- 4173	<a href="mailto:poolericharde@msn.com">poolericharde@msn.com</a>
Ben Fellows	379- 4109	<a href="mailto:fellowsship@olypen.com">fellowsship@olypen.com</a>

The meeting was called to order at 1:04 pm by Bruce. Present were Bruce, John Hanks, Paul Happel, and Gary Rossow.

The Task Force met at the north seawall on the eve of the Summer Solstice.

The Draft Minutes of the minutes of the October 25, 2013 and March 11, 2014 meetings were approved as drafted.

Paul Happel reported that the seawall project is 99% complete with just a few minor items regarding the north seawall safety barrier remaining. This should be completed shortly by the Marina Committee.

A motion to disband the Task Force was approved.

The meeting was adjourned at 1:10 pm, and was followed by mutual congratulations and refreshments. All concerned: The Task Force, The CGBOT, and the CG Manager were very pleased to see this major and long lasting project finally come to fruition after almost 2 ½ years of effort. All regretted that Tike Hillman, our very able and good natured project advisor, was unable to attend.

Bruce Candioto, Past Chair, Seawall Task Force Committee

**WATER ADVISORY COMMITTEE  
JULY 1, 2014**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Karen Krug, Board Liaison; Greg Rae, Water System Manager; Larry Southwick, Committee Chair; and member Thad Bickling.

1. Backflow / Cross Connection Control Program – As of this evening, we have 151 inventory questionnaires returned which is a pretty good start. Volunteer Kris Shapiro will begin data entry on Monday. We're getting some calls and emails but not overwhelming. Greg and Larry will get together next week to work out details on next steps. About 75% will require follow up with the owners, initially by phone and then for some, a site inspection by Greg. That will not be the full BAT inspection but just to verify the presence or need for backflow prevention devices and won't be charged to the owners. The subsequent annual testing of backflow devices will be done by the BAT certified testers and be charged to the owners.



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We're not focusing on outdoor faucets and hose bibs in this go around but that discussion will be with the owners who have hot tubs, ponds and septic pumps that need regular servicing with hoses. It's a vulnerable pathway for backflow and we'll need to work on a better plan to address them.

We agreed that we need another newsletter article to focus on some of the FAQ and issues that are surfacing from the inventory questionnaires.

2. Water Rights –Art called Bill Clarke, our attorney for dealing with DOE on water rights, and he still had nothing new to report. Bill will contact DOE and try to get some feedback on our status.
3. Well 8 – the engineering report for the well installation and water quality testing was completed by Bob Leach and sent to DOH two weeks ago. We will have to pay a review fee to DOH and expect that invoice before we get approval. We want to get it online for the peak summer water use.
4. Programmable Logic Controller (PLC) for the Highlands booster pumps – Stew was not at the meeting so no new report. Art gets complaints from members at the top end of Highlands for low water pressure so we need those pumps to work properly. They can be manually started if the pressure on/off systems aren't meeting the needs.
5. Water Reserves – We had a lot of discussion about what and how to add the water mains into the current Reserve Study. Larry developed a table with the ages and pipe lengths for the various pipe types and sizes for input. We need to decide what to recommend to the Board at the Study Session next week. We all agreed that we need the water mains added and a program started within the Reserve Study planning period but not yet resolved the timing and amounts.

We also discussed the reserve amounts and timing for replacing the water meters or just the batteries and registers. We need to make some phone calls and determine what the costs are and what makes most sense. We agreed that they all need to be updated (replaced or batteries/registers) within the 20 year expected life. Art looked up our purchases and said that we're paying \$217 per meter and we need to add something for labor to install it. Currently that cost is all in the connection fee.

The next meeting will be on **August 5, 2014 at 5 pm at the Office.**

CAPE GEORGE COLONY CLUB  
SPECIAL BOARD OF TRUSTEES MEETING  
JULY 19, 2014  
4:00 PM

President Richard Hilfer called the meeting to order at 4:00.

**In Attendance:** Richard Hilfer, Carol Wood, Karen Krug, Leslie Fellner, Katie Habegger, Michael Hinojos, Ray Pierson

**Election of Officers:**

**Motion 1:** Karen Krug moved and Michael Hinojos seconded to elect Richard Hilfer as President. Passed 6/0

**Motion 2:** Carol Wood moved and Karen Krug seconded to elect Ray Pierson as Vice President. Passed 6/0

**Motion 3:** Karen Krug moved and Ray Pierson seconded to elect Carol Wood as Secretary. Passed 6/0

**Motion 4:** Ray Pierson moved and Michael Hinojos seconded to elect Karen Krug as Treasurer. Passed 6/0

The 2014/2015 calendar was accepted as presented to the Board.

The dates for the August meetings were set:

- Study Session – August 12, 3:00 p.m.
- Board Meeting –August 14, 7:00 p.m.

The training session for new Board Members is scheduled for August 14, 2014 at 5:30 p.m.

New Board liaisons were chosen for the following committees

- Building and Workshop – Michael Hinojos
- Election – Carol Wood
- Emergency Preparedness & Swimming Pool – Leslie Fellner
- Environmental – Katie Habegger
- Finance & Water – Karen Krug
- Fitness & Property Maintenance – Richard Hilfer
- Marina & Roads – Ray Pierson

**Motion 5:** Karen Krug moved and Ray Pierson seconded to formally request the owners and the Bankruptcy Trustee of 41 Dennis Blvd to obtain and provide Cape George Colony Club a recorded survey of their property lines, as amended in discussion, within 60 days of notice. Passed 6/0

CAPE GEORGE COLONY CLUB  
SPECIAL BOARD OF TRUSTEES MEETING  
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The Board deferred the discussion of 2014/2015 Board Goals to the August meeting.

**Adjournment**

Michael Hinojos moved and Karen Krug seconded to adjourn the meeting. Passed 6/0  
The meeting was adjourned at 4:30.

**Submitted by:**

**Approved by:**

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**Carol Wood, Secretary**

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**Richard Hilfer, President**

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
AUGUST 14, 2014  
7:00 PM

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

- A. Welcome
- B. An Executive Session is scheduled following this Board meeting for the purpose of discussing attorney communication and a legal issue involving a member.

**In Attendance:** Richard Hilfer, Ray Pierson, Karen Krug, Leslie Fellner, Katie Habegger and Michael Hinojos.

**Action on Minutes:** Ray Pierson moved and Karen Krug seconded to approve the July 10, 2014 Regular Board Meeting minutes. Passed 4/0/1

Ray Pierson moved and Michael Hinojos seconded to approve the Special Board Meeting Minutes of July 19, 2014. Passed 5/0

**Membership Report: Katie Habegger**

- Front Street Associates (Tom & Marie Cawrse) purchased 160 Spruce Drive from Craig Colomb
- Norman Nolan was deeded 81 W Vancouver Drive by Milton Foss
- Tom Gambill purchased Lot 7 N Rhododendron Street from John and Carol Mitchel

**Treasurer's Report: Karen Krug**

**TREASURER'S REPORT  
As of July 31, 2014**

**2014 Balance Sheet:**

Cash accounts are detailed on the following page. All bank account statements have been reviewed and all accounts reconciled; no cash accounts were opened or closed during the month. The correction to General Petty Cash that should have been made during July was not and the balance remains in excess of the authorized level by a very minor amount.

On July 24, a CD held through Peninsula Credit Union came due and since funds projections indicate sufficient cash availability that CD, \$71,000 was rolled into a new 12 month vehicle at PCU at a rate of 0.25%.

The biggest change in cash balances between July 2013 and July 2014 is the decrease in the North Seawall reserve since the majority of the project expenses were paid during 2014. Final accounting for the project costs should occur by the end of August.

The decrease in the North Seawall reserve also accounts for most of the increase in Fixed Assets. Well #8 was brought on line in July and at year end that asset will start to be depreciated.

The loan outstanding, from the General Reserve to the South Seawall Reserve, is \$70,612 and a mid-August payment of approximately \$16,500 will help reduce that balance. As required by the corporation's governing documents, interest is being charged on that loan..

The difference in YTD total income, this year compared to last year, is largely the result of the \$46,000 in the Berm Special Assessment that at the time of 2014 budget preparation had not yet approved by Members.

**CAPE GEORGE COLONY CLUB**  
**BOARD OF TRUSTEES MEETING**  
**AUGUST 14, 2014**  
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**2014 Income Statement comments:**

As with balance sheet accounts, the switch from trimester to quarterly payments makes year-over-year revenue comparisons a bit challenging especially when comparing revenues in General operations and Water operations. Summarized income and expense statements are included on the following page and provide both a current Year-to-Date (YTD) comparison of actual to budget as well as YTD this year versus YTD last year.

On a YTD basis, all cost centers are performing above the targeted budget levels.

Favorable labor variances, in all three cost centers are partially the result of timing differences in the Senior Bookkeepers hours and payroll tax savings related to those timing differences, both of which will diminish with year end activities.

Repair and maintenance expenses are running higher than budget in all three cost centers. As always, careful management in this category will still likely find the end of the year at near budget levels.

There appear to be one or two minor allocation issues inconsistencies between how things were budgeted versus how things are being recorded and those will be corrected prior to the end of the third quarter.

**North and South Seawall Financial Update**

There have been virtually no changes since financial update included in the Annual Report. It is anticipated that all expenses relating to the two projects will be completed and final accounting conducted by the end of August. Any potential refund to Members from the North Seawall Special Assessment will be calculated during fourth quarter of the current year.

**CAPE GEORGE COLONY CLUB**

**Balance Sheet as of July 31, 2014 and 2013**

<b>Assets</b>	<b>2014</b>	<b>2013</b>	<b>Liabilities and Fund Balances</b>	<b>2014</b>	<b>2013</b>
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 108,709	\$ 98,472	Accounts Payable & Other Liabilities	\$ 8,820	\$ 7,170
Operating Investment-Savings	70,030	70,010	Unearned Income General/Water/Etc.	28,464	29,621
Petty Cash (2 accounts)	610	600	Unearned Income Other	411	-
Reserves - General, Water & Marina	320,775	399,951	Unearned Income Marina Wait List	500	550
Special Reserves - S. Seawall & Berm	62,476	-	Due to General Reserve (Loan)	70,612	-
North Seawall Special Reserve	25,221	246,274	Total Current Liabilities	108,807	37,341
Total Cash & Equivalents	587,821	815,307			
			North Seawall Assessment Liability	293,928	293,928
Net Accounts Receivable	12,239	6,536	South Seawall Assessment Liability	99,300	-
Due from S. Seawall Reserve (Loan)	70,612	-			
SpclAssmnts Rcvbl(Berm, N&S Seawall	60,376	39,707	<b>FUND BALANCES:</b>		
Total Net Fixed Assets	1,846,053	1,485,759	Fund Balances (Combined)	1,926,417	1,924,204
Total Prepaid & Other Assets	37,564	37,336	Modified Cash Basis CY Income	186,213	129,167
<b>TOTAL ASSETS</b>	<b>\$2,614,665</b>	<b>\$2,384,645</b>	<b>Total Liabilities and Fund Balance</b>	<b>\$2,614,665</b>	<b>\$2,384,640</b>

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**Summary Revenue and Expense Statements for the periods ended July 31 (Modified Cash Basis)**

2014 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2014 YTD	2013 YTD	Variance	%
Revenue-General Assessmnt	\$ 206,544	\$ 206,544	-	0%	Revenue-General Assessmnt	\$ 206,544	\$ 176,569	\$ 29,975	17%
Revenue - All Other Sources	52,496	13,627	38,869	285%	Revenue - All Other Sources	52,496	31,457	21,039	67%
Total General Revenue	259,040	220,171	38,869		Total General Revenue	259,040	208,026	51,014	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	75,441	80,254	4,813	6%	Salaries, Benefits, PR Tax	75,441	72,644	(2,797)	-4%
Repairs & Maintenance	14,525	10,963	(3,562)	-32%	Repairs & Maintenance	14,525	15,707	1,182	8%
Contracted Services	29,718	32,161	2,443	8%	Contracted Services	29,718	30,128	410	1%
Insurance	13,123	13,799	676	5%	Insurance	13,123	12,024	(1,099)	-9%
Pool expenses	17,822	13,933	(3,889)	-28%	Pool expenses	17,822	9,931	(7,891)	-79%
Other Expenses (incl taxes)	16,408	13,387	(3,021)	-23%	Other Expenses (incl taxes)	16,408	8,855	(7,553)	-85%
Total General Expenses	167,037	164,497	(2,540)		Total General Expenses	167,037	149,289	(17,748)	
<b>General Net Income</b>	<b>\$ 92,003</b>	<b>\$ 55,674</b>	<b>\$ 36,329</b>	65%	<b>General Net Income</b>	<b>\$ 92,003</b>	<b>\$ 58,737</b>	<b>\$ 33,266</b>	57%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 137,520	\$ 137,160	\$ 360	0%	Revenue - Water Use Fees	\$ 137,520	\$ 121,260	\$ 16,260	0%
Revenue - All Other Sources	1,703	2,000	(297)	-15%	Revenue - All Other Sources	1,703	4,819	(3,116)	-65%
Total Water Revenue	139,223	139,160	63		Total Water Revenue	139,223	126,079	13,144	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	31,982	36,256	4,274	12%	Salaries, Benefits, PR Tax	31,982	32,807	825	3%
Repairs & Maintenance	5,016	3,807	(1,209)	-32%	Repairs & Maintenance	5,016	2,613	(2,403)	-92%
Contracted Services	9,170	8,287	(883)	-11%	Contracted Services	9,170	25,326	16,156	64%
Insurance	8,175	7,494	(681)	-9%	Insurance	8,175	7,748	(427)	-6%
Other Expenses (incl taxes)	19,067	23,107	4,040	17%	Other Expenses (incl taxes)	19,067	17,374	(1,693)	-10%
Total Water Expenses	73,410	78,951	5,541		Total Water Expenses	73,410	85,868	12,458	
<b>Water Net Income</b>	<b>\$ 65,813</b>	<b>\$ 60,209</b>	<b>\$ 5,604</b>	9%	<b>Water Net Income</b>	<b>\$ 65,813</b>	<b>\$ 40,211</b>	<b>\$ 25,602</b>	64%
<b>Marina</b>					<b>Marina</b>				
Revenue - Marina Moorage	\$ 44,471	\$ 44,620	\$ (149)	0%	Revenue - Marina Moorage	\$ 44,471	\$ 43,476	\$ 995	0%
Revenue - All Other Sources	13,748	13,647	\$ 101	1%	Revenue - All Other Sources	13,748	12,444	1,304	10%
Total Marina Revenue	58,219	58,267	(48)		Total Marina Revenue	58,219	55,920	2,299	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	6,645	8,281	1,636	20%	Salaries, Benefits, PR Tax	6,645	5,569	(1,076)	-19%
Repairs & Maintenance	14,360	13,022	(1,338)	-10%	Repairs & Maintenance	14,360	10,261	1,764	-40%
Contracted Services	1,214	2,589	1,375	53%	Contracted Services	1,214	2,948	1,734	59%
Insurance	2,605	3,791	1,186	31%	Insurance	2,605	2,684	79	3%
Other Expenses (incl taxes)	5,488	6,309	821	13%	Other Expenses (incl taxes)	5,488	5,116	(372)	-7%
Total Marina Expenses	30,312	33,992	3,680		Total Marina Expenses	30,312	26,578	2,129	
<b>Marina Net Income</b>	<b>\$ 27,907</b>	<b>\$ 24,275</b>	<b>\$ 3,632</b>	15%	<b>Marina Net Income</b>	<b>\$ 27,907</b>	<b>\$ 29,342</b>	<b>\$ (1,435)</b>	-5%
Interest Income - Reserves	489	-	489		Interest Income - Reserves	489	877	(388)	-44%
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 186,213</b>	<b>\$ 140,158</b>	<b>\$ 46,054</b>	33%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 186,213</b>	<b>\$ 129,167</b>	<b>\$ 57,045</b>	44%

\*\*Modified Cash Basis, Excludes Depreciation

KCK 01/16/14

## Manager's Report

We have experienced two pool closures in as many weeks as a result of a child having an "accident" either in the water or on the pool deck. Swim diapers are required of all children not potty trained. All members should understand that in the event of a release of feces, blood or vomit into the water or on the pool deck, it is important to notify the office or afterhours staff immediately so that sanitation steps can be taken.

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One of the 7.5 hp motors operating a booster pumps at the Highlands Pump Station failed. We are attempting to expedite the replacement of the drive motor and anticipate having it returned to service by the end of the week.

During routine maintenance it was discovered that the Highlands Pump Station building has been severely damaged by moisture ants. This building is one of the original (oldest) of the structures at the Tank Farm. We have obtained a quote for replacement and will be presenting to the Trustees for approval. Our exterminator was called in to do an inspection of all of the tank farm buildings and no additional insect damage has been noted.

We have completed the majority of the Trustee and Officer Changeover Checklist including:

- Updating financial institution signing authority
- Notifying legal counsel and insurance company
- Updating Governing Persons list at the Secretary of State's office
- Update all contact information on website and various office documents

We have been selected to provide information to the Bureau of Labor Statistics for a nationwide survey on employment. Reporting will be conducted monthly.

Office projects being worked on include:

- Great progress is being made on data entry for the cross connection control program through the efforts of staff and volunteers.

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

- Report of a fireworks or gunfire in the Highlands
- Report of water coming out of an embankment at the back of a member's property.
- Complaint of political signs being placed on common property in the Village and Colony.
- Complaint of invasive plants in the Village.
- Complaint of unauthorized vehicle parked on Huckleberry Place.
- Property maintenance complaint in the Village.
- Hedge complaint in the Village and Colony.
- Report that the Fitness Room door electronic lock system had been damaged and was no longer securing the door. Efforts are underway to replace our existing lock system.

#### Committee Reports

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

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BOARD OF TRUSTEES MEETING  
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**Information Items:**

- A. The Trustees directed the Manager to provide an update on violations/issues related to the building project at 41 Dennis Blvd at the next Study Session.
- B. The Trustees directed the Manager to work with the Board President on drafting a letter to the owner of the property at 311 Victoria Loop and the attorney representing the bank concerning property maintenance.
- C. The members requesting the use of common property to allow a Petanque/Bocce court to be installed on common property in the vicinity of the horseshoe pits have asked that further review of this request be moved to the September Study Session.
- D. The Trustees have reviewed the recent draft of the reserve studies and will discuss further at the September Study Session.
- E. The Trustees requested that the Manager collect additional information concerning hedges in the community and bring to the September Study Session.

**Member Participation:**

The Marina Committee is pleased to announce that the upcoming Waterfront Festival expects to have nearly 200 people in attendance. The committee also thanked the volunteers who helped finish up the seawalls. A member also expressed that the project to bury the power lines at the south parking lot should be paid for from general funds.

**New Business Agenda Items:**

**Motion 1:** Katie Habegger moved and Ray Pierson seconded to approve an expenditure of not to exceed \$4956.04 for the purchase of dock floats and supporting materials to continue with the dock float replacement program with funding to come from Marina Reserves. Passed 5/0

**Motion 2:** Karen Krug moved and Richard Hilfer seconded that in response to the Marina Committee's recent request that they be authorized to make arrangements to bury the power line, owned by Jefferson County PUD and located at the south end of the marina, and further to be consistent with the November 10, 2005 Board authorization on the same subject, funding to come from 2014 Marina Operations. Passed 4/1

**Motion 3:** Michael Hinojos moved and Ray Pierson seconded to approve the request allowing Safeway Pharmacy staff to offer flu vaccinations on September 23<sup>rd</sup> in the Cape George Clubhouse. Passed 5/0

**Motion 4:** Karen Krug moved and Michael Hinojos seconded that in response to the request of the Manager, the Highlands Pump Station building be replaced at a cost not to exceed \$6,800 with the majority of the expenditures for material and labor from Better Built Storage Barns and Double D Electric and funding to come from the existing Water Reserves. Passed 5/0

**Motion 5:** Leslie Fellner moved and Karen Krug seconded to replace the entry locks at the pool, workshop, fitness room and clubhouse as per the estimate by Terry's Lock & Save, Inc. for the system that includes wireless communication, and that the expense be funded by General Operations. Passed 5/0



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**Motion 6:** Michael Hinojos moved and Ray Pierson seconded to approve the request allowing volunteers from Coastal Observation and Seabird Survey Team to access Cape George beaches to conduct their survey. Passed 5/0

**Motion 7:** Katie Habegger moved and Ray Pierson seconded that the Board of Trustees approve the proposed appointment of Committee Chairs and members as amended (excluding Property Maintenance). Passed 5/0

**Motion 8:** Karen Krug moved and Michael Hinojos seconded that there be a transfer of funds from the South Seawall Special Assessment Fund to the General Reserve Fund in the amount of \$16,598.79 with \$16,544.82 applied against the loan principal and \$53.97 credited as interest payment, said transfer being the second quarterly payment installment on the two-year, simple interest loan. Passed 5/0

**Motion 9:** Karen Krug moved and Ray Pierson seconded that in response to the requirements of Finance Rule 08-Critical Accounting Policies, the following signatories be authorized on the specified bank accounts and financial instruments and all other previous signatory authorizations be rescinded. Passed 5/0

**Kitsap Bank**

XXXXXX9111	Checking Account	Richard Hilfer, Ray Pierson, Carol Wood, Karen Krug, Art Burke
XXXXXX9112	Checking Account	Richard Hilfer, Ray Pierson, Carol Wood, Karen Krug, Art Burke
XXXXXX9120	Savings Account	Richard Hilfer, Ray Pierson, Carol Wood, Karen Krug, Art Burke

**Peninsula Credit Union**

XXXXXX8414	Master Account	Richard Hilfer, Carol Wood, Karen Krug, Art Burke
Certificate 1	12 Month CD	Richard Hilfer, Carol Wood, Karen Krug, Art Burke
Certificate 2	18 Month CD	Richard Hilfer, Carol Wood, Karen Krug, Art Burke
Certificate 7	12 Month CD	Richard Hilfer, Carol Wood, Karen Krug, Art Burke

**Chase Bank**

XXXXXX9928	Checking Account	Richard Hilfer, Ray Pierson, Carol Wood, Karen Krug, Art Burke
XXXXXX5161	Savings Account	Richard Hilfer, Ray Pierson, Carol Wood, Karen Krug, Art Burke

**Wells Fargo Bank**

XXXXXX5374	Savings Account	Richard Hilfer, Ray Pierson, Carol Wood, Karen Krug, Art Burke
XXXXXX4708	Savings Account	Richard Hilfer, Ray Pierson, Carol Wood, Karen Krug, Art Burke

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**Motion 10:** Ray Pierson moved and Michael Hinojos seconded to approve Resolution No. 08-01-14 to transfer \$2,219.75 from the South Seawall Special Assessment Account to General Checking Account for the South Seawall Replacement Project, Port Townsend Muffler and Fabrication-\$2,219.75. Passed 5/0

**Motion 11:** Michael Hinojos moved and Ray Pierson seconded to approve Resolution No. 08-02-14 to transfer \$76.68 from Marina Reserves to General Checking account and \$230.03 from North Seawall Special Assessment account to General Checking account for the North Seawall Replacement Project, Arrow Lumber-\$56.81, Henery Hardware-\$249.90. Passed 5/0

**Motion 12:** Leslie Fellner moved and Karen Krug seconded that the 7 members who have requested a due date adjustment be granted that permission as per the agreements submitted that require that the amount be paid in full by the end of the quarterly payment period. Passed 5/0

**Open Board Discussion**

Board Training is scheduled for September 3<sup>rd</sup> at 4:00 at the office. Board goals will also be set at this time.

A moorage refund was given to a member who had been on the waiting list, accepted moorage, but never found an appropriate boat to purchase. This situation will be added to the Marina Rules to guide our staff in the future.

**Announcements:**

- A. Study Session – September 9, 3:00 p.m.
- B. Board Meeting – September 11, 7:00 p.m.

**Motion 13:** Michael Hinojos moved and Leslie Fellner seconded to adjourn to Executive Session for the purposed of discussing attorney communication and a legal issue involving a member. Passed 5/0

**Motion 14:** Karen Krug moved and Leslie Fellner seconded to resume the Regular Board meeting at 8:37 p.m.

**Adjournment:** Michael Hinojos moved and Ray Pierson seconded to adjourn the Board Meeting at 8:40 p.m.

**Submitted by:**

**Approved by:**

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**Ray Pierson, Vice President**

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**Richard Hilfer, President**

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Committee Reports**

**BUILDING COMMITTEE**

**August 4, 2014**

**New Building Permits**

- Rice, 341 Sunset
- Scheier/Thorwick, 37 Quilcene
- Huerta, 61 Saddle
- Dickson, 110 Sunset
- Thorne, 221 Dennis

**New Earthworks Permits**

- Woodcock, 170 N Palmer

**ENVIRONMENTAL COMMITTEE**

**JULY 14, 2014**

**IN ATTENDANCE:** Art Burke, Betty Hanks, Joan Hommel, Penny Jensen, Louise Kavruck, Norma Lupkes, Kitty Rucker, Robin Scherting, Steve Shapiro

**I. CALL TO ORDER:** The meeting was called to order at 9 15 A.M by Kitty. Penny Jensen our liaison to the Board was honored with a “special” cake to share with EC members thanking her for her service and participation on the committee. Her term is up on the Board, and her presence will be missed by the committee.

**II. APPROVAL OF MINUTES:** The June minutes were approved as read.

**III. FISCAL REPORT:** \$1,350.56 in the EC Treasury and \$3445.20 in the Berm project.

**IV. OLD BUSINESS:**

A. Berm Report – Art reported, we are still waiting for approval from the county, however some progress has been made. A 30-day notice from Jefferson County will be posted July 8 to August 8. Hearing preparation will be Aug 11 to September 15 and the final permit will be issued around October 1. That should put us into the necessary window of opportunity for the work to progress.

B. Review of Budget Request – Kitty, Robin and Betty met to review the budget request for submittal to the Board. A motion was made and seconded to request 52 hours annually for the hiring of an individual to assist in heavy weeding/ landscaping in common areas of the community. Motion carried and will be presented at the August Meeting.

C. “Demise of the Honey Bees” Movie – Shown on June 11 at 7:00 pm in the clubhouse with 30-40 in attendance. It was interesting and educational dealing with the diseases affecting bees and the impact on the environment.

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D. Annual Beach Walk – The beach walk was held on July 11 at 9:00 am. Rolls and cookies were provided by the Environmental Committee. There were 45-50 in attendance; the weather was perfect and it was another successful event.

**V. NEW BUSINESS**

A. Cape George Road Clean-up – Bernie Del Valle has volunteered to take over management of the road clean-up project. Dates will be established in the near future.

B. Common area on Ridge Drive at Old Tank – The resident located next to the old tank has filed a complaint about a frequent flooding issue under his residence. The downspouts from the back of the fire station will be relocated to transfer the water runoff to the ditch next to the road – hopefully this will alleviate the problem.

**VI. ADJOURNMENT:** The meeting was adjourned at 10:30

Respectfully submitted: Norma J. Lupkes

**POOL COMMITTEE  
August 6, 2014**

In attendance: Art Burke, Rocky D'Acquisto, Robin Scherting, Norma Lupkes

The new Board of Trustees liaison was not present. Art will find out who has agreed to fill that role and they will be invited to the upcoming meetings.

The current situation with the pool HVAC/humidity project was discussed and Art reported that he contacted Air Reps of Bellevue and Desert Aire prompting them for bids for the project as budgeting is in process.

There have been 2 temporary closures of the pool recently both related to incidents of waste found in the pools or surrounding area. The pool water was shocked both times and recommended CDC chlorine levels were: solid waste – 3ppm for 45 minutes. The levels applied here were 5ppm overnight. Parents of toddlers in the pools are reminded that if the child is not potty-trained swim diapers must be used and are provided in the dressing rooms. Also if any observations are made of such incidents please notify the appropriate Cape George individuals.

The inside entry door to the pool has been replaced but will require some additional adjustment. The new alarmed door on the east side of the building was accidentally opened by a child and set off the alarm which should have run for 2 minutes but ran for approximately 45 minutes before it could be shut off. The vendor has been contacted for repairs.

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At the latest Water Committee it was reported that individuals have been reported letting the hot water in the men's shower room run the entire time they are swimming to warm up the water. Research into a recirculation system is underway.

Robin made a motion that swim diapers and shower foam cleaner – totaling \$21.50 be paid to Mary Hilfer from the pool committee funds. Motion carried.

Pool Committee meetings will be moved from the 1<sup>st</sup> Tuesday to the 1<sup>st</sup> Wednesday at 3:00 to accommodate current members.

Respectfully submitted,  
Norma J. Lupkes

**WATER ADVISORY COMMITTEE  
AUGUST 5, 2014**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Larry Southwick, Committee Chair; and members Scott James and Stewart Pugh.

1. Backflow / Cross Connection Control Program – we now have 334 questionnaires returned, around 60%, as compared to 151 at the meeting on July 1, and more are arriving every day. All information is then entered into the database and a report run that separates those with 'yes' and 'unsure' marks for further review. Inspection sheets are printed out for those. Larry or Greg call each one to clarify if they have a cross connection that requires further inspection or just sign off on the inspection form. Many with water softeners, ponds and sprinkler, drip or soaker hose irrigation are resolved by the phone call. They are scheduling on-site inspections for those that can't be resolved by phone and Greg is making inspections on Saturday mornings.

The due date was July 31 so it's time to send out a reminder letter to prompt members to complete and return the questionnaire that haven't done it yet. Bob and Sharon are going to run a report that identifies those members and print mailing labels, around 170-200. We discussed whether to mail a letter along with another copy of the questionnaire or just a post card reminder. We decided to send the full letter and questionnaire with the assumption that many have tossed or lost the original. Larry provided a draft letter and we can print the questionnaire on the back for a one-sheet mailing with a due date of September 15.

We have to anticipate that there will still be some that won't comply and will require a final notice mid-September. We'll need to personally contact them if possible to gain their compliance. Stew said he could run a report that will show those homes with no water use to compare to those that haven't complied because turning off their water wouldn't make a difference anyway.

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2. Water Rights –Art called and left a message for Bill Clarke, our attorney for dealing with DOE on water rights. No news, still waiting.
3. Programmable Logic Controller (PLC) for the Highlands booster pumps – Stew is still working on setting up the PLC. The pumps now run on flow measurement instead of pressure and the PLC will correct that issue for more reliable service to those members.

In the meantime, Art reported that the motor on pump 3 overheated and will have to be replaced. The new motor has been ordered and will be coming from Indianapolis. Art expects it later this week and it will take another week to make the repairs. They hoped that the motor could be repaired so it could then become a standby but the expense of repair is about the same as buying a new motor. There are two 7.5 hp motors and one 5 hp motor so a standby motor, if we were to purchase one, would have to be a 7.5 hp which costs around \$2,000. It still takes another week to remove the motor and pump in order to install the new motor because it has to be done in the shop, not on site. The pump is directly connected to the shaft of the motor. Also, the flow control valve on pump 2 will have to be replaced which will make the operation more reliable.

4. Highland Booster Pump House – Art is pursuing plans to replace the pump house due to substantial water and ant damage to the structure. It has a near flat roof with no eaves so the water just runs down the siding and has caused a lot of damage that's beyond repair. Art is getting quotes for a new structure and electrical work to replace the building, this time with a better roof and drainage. It will take 3-4 days to tear it down, replace and re-wire it. He had an exterminator treat the other buildings that also have some water and ant damage but are repairable. Replacement will be paid out of reserves.
5. Scott said that there is a lot of water being wasted at the men's shower room at the pool because it takes several minutes to get hot water from the heater to the shower. He said that people turn the faucet on and then go for a swim with the water running the whole time so they can have hot water when they get out. He wanted the Water Committee to discuss it as a water conservation issue. We could set a better example by correcting the problem. We discussed either a hot water recirculation system or an in-line heater at the shower. We need to check into what these might cost.

The next meeting will be on **September 2, 2014** at 5 pm at the Office.

**CAPE GEORGE COLONY CLUB  
SPECIAL BOARD OF TRUSTEES MEETING  
SEPTEMBER 3, 2014  
3:00 PM**

**President, Richard Hilfer, called the meeting to order at 3PM**

1. The meeting was called directly into Executive Session for the purpose of discussing two legal issues and then conferring with our attorney.

**In Attendance:** Richard Hilfer, Ray Pierson, Carol Wood, Karen Krug, Leslie Fellner, Katie Habegger and Michael Hinojos.

**Motion 1:** Ray Pierson moved and Carol Wood seconded to adjourn the Executive Session and begin the Special Board Meeting. Passed 6/0.

Carol Wood left the meeting after Executive Session.

The purpose of the Special Board Meeting was Board Training. Topics covered were:

1. Cape George Governing Documents – Richard Hilfer
2. Chapter 64.38 Revised Code of Washington – Richard Hilfer
3. Executive Sessions – Richard Hilfer
4. Roberts Rules of Order – Richard Hilfer
5. Understanding Homeowner's Association financial statements – Karen Krug
6. Dealing with community emergencies – Thad Bickling
7. Concept of a working board and responsibilities of members as committee liaisons – Ray Pierson
8. Process for establishing study session and board meeting agendas – Art Burke
9. Meeting attendance and participation by phone – Art Burke
10. Communication between Manager and Trustees – Art Burke
11. Resources available to Trustees – Art Burke
12. Dealing with disruptive behavior at meetings – Open discussion
13. Contact with attorney and privileged information – Art Burk
14. Major projects and activities for the coming year – Open discussion
  - a. Reserve Assessment
15. Open discussion, question and answer period
16. Announcements

**Motion 2:** Ray Pierson moved and Michael Hinojos seconded to adjourn the meeting at 6:15 p.m. Passed 5/0.

**Submitted by:**

**Approved by:**

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**Carol Wood, Secretary**

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**Richard Hilfer, President**

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
SEPTEMBER 11, 2014  
7:00 PM**

**Vice President Ray Pierson called the meeting to order at 7:05 p.m.**

- A. Welcome
- B. An Executive Session is scheduled to follow the Board Meeting for the purpose of discussing a legal issue involving a member.

**In Attendance:** Ray Pierson, Carol Wood, Karen Krug, Leslie Fellner, Katie Habegger and Michael Hinojos

**Action on Minutes:** Carol Wood moved and Michael Hinojos seconded to approve the August 14, 2014 minutes. Passed 5/0

The minutes from the September 3, 2014 Special Board Meeting will be presented for approval in October.

**Membership Report:** Carol Wood

- Bobbie Hasselbring and Anne Weaver purchased 42 Quinault Loop from Steven and Ardis Beiswenger
- Robert and Elisa Stein purchased 220 Huckleberry from Gloria Lamson
- Alicia Houtrouw, John Houtrouw and Nicole Houtrouw were deeded Lot 5-1 N Palmer from the estate of Alma Houtrouw
- Jose & Sandra Gulin purchased 121 N. Palmer Dr from Federal National Mortgage Association (FNMA)

**Treasurer's Report:** Karen Krug

**TREASURER'S REPORT  
As of August 31, 2014**

2014 Balance Sheet:

Cash accounts are detailed on the following page. All bank account statements have been reviewed and all accounts reconciled; no cash accounts were opened or closed during the month.

Operating cash is only slightly lower this year than last year due in most part to the switch from trimester billing and collection to quarterly billing and collection. The unanticipated replacement of the lock systems on clubhouse, pool, fitness room and workshop at a cost of \$9,000 which was not drawn from reserves has also impacted cash balances.

The loan from the General Reserve to the South Seawall Reserve is \$54,067 and is being paid back with quarterly collections. Like the North Seawall, the South Seawall project was capitalized as of August 31 at a value of \$101,311. That value represents the total Member special assessment of \$99,300 and a contribution of funds from General Operations for the balance of the project. Since the total cost of the project was in excess of the special



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assessment, there will be no refund of any South Seawall special assessment funds.

Accounts receivable remain a constant focus. The same six or seven properties responsible for the prior year's uncollectible accounts continue to be in arrears and steps will be taken before year end to perfect the corporation's rights the regard to those accounts.

2014 Income Statement comments:

In all cost centers, labor costs are trailing budget estimates through the end of August. This favorable outcome is traceable both to lower than anticipated time by the Senior Bookkeeper and lower than anticipated costs for benefits such as employee health insurance.

During August, adjustments were made to insurance allocations across the three cost centers. During review with a Committee chair, it was discovered that insurance expense was not being allocated in the manner approved by the Board and ratified by the Members. A correcting entry was made to correct the oversight and the remainder of the year will be allocated properly.

General Operations

Year to date, general operations appears to be performing significantly better than budget. The entire favorable variance however is the result of the Berm special assessment which was not included in the original budget. If that income is excluded, general operations is actually underperforming its year-to-date budget target by about \$7,800. About half the unfavorable outcome is related to higher than budgeted pool expenses for both utilities and also for repairs. The remainder can be traced to the use of cash for the new door lock system.

Water Operations

Water operations are performing slightly ahead of the year-to-date budget despite this year's higher than expected repair costs and very slightly higher than budgeted fees for the Water Operations Manager. The later was a budgeting error.

The refund of nearly \$1,000 in water fees to an owner of a vacant lot with no water service is reflected in the August financial results even though this refund was not considered by the Board until September. The refund represents fees from 2012, 2013 and 2014 and since in total the amount is not material no part is being treated as a prior period adjustment. Efforts are being taken to ensure the remainder of the water charges are correct.

Marina Operations

Marina operations are somewhat more favorable than original budget expectations related to very slightly higher revenue and lower than expected labor costs.

When projecting final marina performance care must be taken as nearly all marina revenue is collected during the first three months of the fiscal year but expense of course continue

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throughout the year. Routine operating expense for the marina average about \$2,800 per month so it would be expected that the next four months will see the current 'profit' decrease by \$11,000 to \$12,000. This should still result in 2014 marina operations generating a favorable excess income of slightly more than the \$10,000 which was originally budgeted.

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**Balance Sheet as of August 31, 2014 and 2013**

<b>Assets</b>	<b>2014</b>	<b>2013</b>	<b>Liabilities and Fund Balances</b>	<b>2014</b>	<b>2013</b>
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 86,118	\$ 97,436	Accounts Payable & Other Liabilities	\$ 13,505	\$ 8,368
Operating Investment-Savings	70,032	70,011	Unearned Income General/Water/Etc.	29,548	61,341
Petty Cash (2 accounts)	600	600	Unearned Income Other	150	-
Reserves - General, Water & Marina	337,341	399,765	Unearned Income Marina Wait List	500	550
Special Reserves - S. Seawall & Berm	45,306	-	Due to General Reserve (Loan)	54,067	-
North Seawall Special Reserve	24,973	256,188	Total Current Liabilities	97,770	70,259
Total Cash & Equivalents	564,370	824,000			
			North Seawall Assessment Liability	293,928	293,928
Net Accounts Receivable	11,339	8,016	South Seawall Assessment Liability	99,300	-
Due from S. Seawall Reserve (Loan)	54,067	-			
SpclAssmnts Rcvbl(Berm, N&S Seawall	58,970	29,239	<b>FUND BALANCES:</b>		
Total Net Fixed Assets	1,846,212	1,489,641	Fund Balances (Combined	1,926,417	1,924,204
Total Prepaid & Other Assets	34,192	33,935	Modified Cash Basis CY Income	151,735	96,440
<b>TOTAL ASSETS</b>	<b>\$2,569,150</b>	<b>\$2,384,831</b>	<b>Total Liabilities and Fund Balance</b>	<b>\$2,569,150</b>	<b>\$2,384,831</b>

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

<b>2014 Year to Date</b>					<b>COMPARATIVE</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>		<b>2014 YTD</b>	<b>2013 YTD</b>	<b>Variance</b>	<b>%</b>
Revenue-General Assessmnt	\$ 206,544	\$ 206,544	-	0%	Revenue-General Assessmnt	\$ 206,544	\$ 176,569	\$ 29,975	17%
Revenue - All Other Sources	57,808	18,000	39,808	221%	Revenue - All Other Sources	57,808	35,754	22,054	62%
Total General Revenue	264,352	224,544	39,808		Total General Revenue	264,352	212,323	52,029	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	86,654	91,720	5,066	6%	Salaries, Benefits, PR Tax	86,654	83,509	(3,145)	-4%
Repairs & Maintenance	14,543	12,354	(2,189)	-18%	Repairs & Maintenance	14,543	19,097	4,554	24%
Contracted Services	34,191	38,220	4,029	11%	Contracted Services	34,191	35,445	1,254	4%
Insurance	16,459	17,050	591	3%	Insurance	16,459	13,845	(2,614)	-19%
Pool expenses	19,388	15,364	(4,024)	-26%	Pool expenses	19,388	10,458	(8,930)	-85%
Other Expenses (incl taxes)	25,057	13,735	(11,322)	-82%	Other Expenses (incl taxes)	25,057	12,266	(12,791)	-104%
Total General Expenses	196,292	188,443	(7,849)		Total General Expenses	196,292	174,620	(21,672)	
<b>General Net Income</b>	<b>\$ 68,060</b>	<b>\$ 36,101</b>	<b>\$ 31,959</b>	<b>89%</b>	<b>General Net Income</b>	<b>\$ 68,060</b>	<b>\$ 37,703</b>	<b>\$ 30,357</b>	<b>81%</b>

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<b><u>Water</u></b>					<b><u>Water</u></b>				
Revenue - Water Use Fees	\$ 136,590	\$ 137,160	\$ (570)	0%	Revenue - Water Use Fees	\$ 136,590	\$ 121,260	\$ 15,330	0%
Revenue - All Other Sources	2,673	2,000	673	34%	Revenue - All Other Sources	2,673	4,819	(2,146)	-45%
Total Water Revenue	139,263	139,160	103		Total Water Revenue	139,263	126,079	13,184	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	36,323	41,432	5,109	12%	Salaries, Benefits, PR Tax	36,323	37,357	1,034	3%
Repairs & Maintenance	6,495	4,271	(2,224)	-52%	Repairs & Maintenance	6,495	2,767	(3,728)	-135%
Contracted Services	10,224	9,291	(933)	-10%	Contracted Services	10,224	28,124	17,900	64%
Insurance	8,831	9,504	673	7%	Insurance	8,831	8,921	90	1%
Other Expenses (incl taxes)	20,526	24,551	4,025	16%	Other Expenses (incl taxes)	20,526	19,173	(1,353)	-7%
Total Water Expenses	82,399	89,049	6,650		Total Water Expenses	82,399	96,342	13,943	
<b>Water Net Income</b>	<b>\$ 56,864</b>	<b>\$ 50,111</b>	<b>\$ 6,753</b>	13%	<b>Water Net Income</b>	<b>\$ 56,864</b>	<b>\$ 29,737</b>	<b>\$ 27,127</b>	91%
<b><u>Marina</u></b>					<b><u>Marina</u></b>				
Revenue - Marina Moorage	\$ 44,546	\$ 44,620	\$ (74)	0%	Revenue - Marina Moorage	\$ 44,546	\$ 42,916	\$ 1,630	0%
Revenue - All Other Sources	15,027	14,209	818	6%	Revenue - All Other Sources	15,027	13,594	1,433	11%
Total Marina Revenue	59,573	58,829	744		Total Marina Revenue	59,573	56,510	3,063	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	7,583	9,464	1,881	20%	Salaries, Benefits, PR Tax	7,583	6,360	(1,223)	-19%
Repairs & Maintenance	14,554	13,156	(1,398)	-11%	Repairs & Maintenance	14,554	10,402	1,764	-40%
Contracted Services	1,247	2,858	1,611	56%	Contracted Services	1,247	3,079	1,832	59%
Insurance	4,416	4,788	372	8%	Insurance	4,416	3,091	(1,325)	-43%
Other Expenses (incl taxes)	5,549	6,563	1,014	15%	Other Expenses (incl taxes)	5,549	5,479	(70)	-1%
Total Marina Expenses	33,349	36,829	3,480		Total Marina Expenses	33,349	28,411	978	
<b>Marina Net Income</b>	<b>\$ 26,224</b>	<b>\$ 22,000</b>	<b>\$ 4,224</b>	19%	<b>Marina Net Income</b>	<b>\$ 26,224</b>	<b>\$ 28,099</b>	<b>\$ (1,875)</b>	-7%
Interest Income - Reserves	586	-	586		Interest Income - Reserves	586	200	386	193%
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 151,735</b>	<b>\$ 108,212</b>	<b>\$ 43,522</b>	40%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 151,735</b>	<b>\$ 95,739</b>	<b>\$ 55,995</b>	58%
<i>**Modified Cash Basis, Excludes Depreciation</i>					<i>KCK 01/16/14</i>				

### Manager's Report: Art Burke

The Highlands Pump Station building at the Tank Farm has been replaced and work is underway to complete the electrical service installation and paint the structure.

We have completed the 30 day public notice period for our pending permit to construct a protective berm along the clubhouse shoreline. Two agencies provided comment: Jefferson County Environmental Health and Washington Department of Archaeology and Historic Preservation. We are working toward addressing their requests for information.

The new electronic lock system has been installed at the clubhouse, pool, workshop and fitness room doors. The locksmith has encountered a few issues with our older access cards and fobs and is working toward resolving them in the coming weeks.

Lock System: Our new AlarmLock card key locks have been installed on the fitness room, pool, workshop and clubhouse doors. The new locks function well on the doors, but they are not reading the internal codes in the grey fobs and some of the white card keys. Sharon is working with the vendor to identify which card keys/fobs are not being fully read. Some of them have been scanned by a vendor to identify the internal codes which will need to be entered into the new system. Kris Shapiro, Karen Bednarski and Donna Bodkin have entered existing card key numbers and names into the software. Next week the system's wireless networking will be

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installed. In the meantime, a significant software update has been released. We hear it is even easier to use so look forward to installing it this week. Once the work is complete, we expect to be able to program locks, activate/inactivate card keys and print usage reports directly from the computers in our office.

Monthly water usage analysis and excess usage reporting: Office Administrator, Sharon and Volunteer Bob Frenette further automated the monthly water excess usage reporting. Bob created a macro in the new water database that extracts usage information from the existing water spreadsheet to print each "friendly reminder" postcard -- front and back. This change will immediately deliver cost savings by reducing administrative processing time and printing costs.

Water Connection Questionnaires: We have received 443 cross connection questionnaires and hope to receive the remaining questionnaires soon!

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

- Property maintenance complaint in the Village.
- Invasive plant complaint in the Village.
- Complaint of maintenance staff spraying hornet nest on private property.
- Complaint of exterior light being left on all night in the Village.
- Report of unserviceable vehicles at two locations in the Village.
- Report of unaccompanied minors in the pool.

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

**Information Items:**

- A. Marina Committee Chair Penny Jensen requested that discussions concerning proposed changes to Cape George Rule CP03 Marina Usage be deferred to the October Study Session.
- B. The Trustees directed the Manager to prepare a newsletter article reminding members of the current Building and Property regulations concerning hedges. The article should also advise members that hedge complaints and issues will be receiving additional review by Trustees and the Manager in the future.
- C. The Trustees directed the Manager to prepare a request for legal opinion from our corporate attorney concerning voting rights of members who are a part of a trust or

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executor and also individual owners of property in the community. Secretary Carol Wood will review request prior to submittal to legal counsel.

**Member Participation:**

A member researched information on hedges and presented it to the trustees.

**New Business Agenda Items:**

**Motion 1:** Karen Krug moved and Michael Hinojos seconded that if the previous Board action directing the owner(s) of 41 Dennis Blvd to obtain a site survey on or before September 22, 2014 not be fulfilled that the Board direct the Manager to file a Notice of Violation and level a fine of \$100 ~~per month~~ under Fine Schedule Item #29 with the fine to run until the survey is provided at which time the Board may consider abatement of some of the fine.

Carol Wood moved and Katie Habegger seconded to amend Motion 1 by striking the term “per month”. Passed 4/1

Motion 1, as amended, passed 5/0

**Motion 2:** Carol Wood moved and Karen Krug seconded to establish an ad hoc task force to pursue the development of a petanque court on Cape George common property and appoint Dennis Fellner as the task force chair. Passed 5/0

**Motion 3:** Karen Krug moved and Katie Habegger seconded than an expenditure of no more than \$360 for the acquisition and installation of plants on the north and south marina shoreline, area only to the extent specified in our current JARPA permit, be authorized with funds being drawn from the North Seawall special assessment account in the amount of \$270.00 and \$90.00 from Marina reserves. Passed 5/0

**Motion 4:** Leslie Fellner moved and Michael Hinojos seconded to approve the refund of \$990 for water fees mistakenly charged to a member and paid by the member. Passed 5/0

**Motion 5:** Michael Hinojos moved to approve the refund of \$119 for assessments paid in advance of October due date and not settled in sales settlement. This motion was deferred to October for additional information.

**Motion 6:** Katie Habegger moved and Carol Wood seconded to approve the draft conflict of interest policy for the Board as amended and it be formalized as new Cape George rule FIN10 Conflict of Interest Policy. Passed 5/0

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**Motion 7:** Leslie Fellner moved and Michael Hinojos seconded to approve an additional 90 day extension beginning October 14, 2014, to Cape George Building and Property Regulation requiring an occupancy permit be obtained within 1 year from the commencement of construction, for member Wei Zhou, located at 130 Johnson. Passed 4/1

**Motion 8:** Karen Krug moved and Katie Habegger seconded that Cagianut & Company be engaged to perform the audit for the fiscal year ended December 31, 2014 and prepare the Federal Income Tax return for the same period based on the terms and conditions outlined in their Engagement Letter dated August 15, 2014 at the quoted price of \$4500.00. Passed 5.0

**Motion 9:** Michael Hinojos moved and Karen Krug seconded to approve Resolution No. 09-02-14 to transfer \$550.09 from Marina Reserves to General Checking account and \$1,650.26 from North Seawall Special Assessment account to General Checking account for the North Seawall Replacement Project, Port Townsend Muffler & Fabrication-\$2,200.35. Passed 5/0

**Motion 10:** Karen Krug moved and Michael Hinojos seconded that as a result of the most current reconciliation showing the total cost of the South Seawall project have exceeded the amount of the South Seawall Special Assessment that Resolution 08-01-14 passed on August 14, 2014, in the amount of \$2,219.75 be rescinded and the amount be transferred from General Checking Account back to the South Seawall account and that any future minor South Seawall expenditures be paid from general operations. Passed 5/0

**Open Board Discussion:** Michael Hinojos indicated he will not be in attendance at the October 23, 2014 budget meeting.

**Announcements:**

- A. Study Session – October 14, 3:00 p.m.
- B. Board Meeting – October 16, 7:00 p.m.
- C. Special Board Meeting – October 23, 3:00 p.m.

**Motion 11:** Carol Wood moved and Michael Hinojos seconded to adjourn to Executive Session at 7:50. Passed 5/0

**Motion 12:** Michael Hinojos moved and Katie Habegger seconded to adjourn the Executive Session and resume the regular Board Meeting. Passed 5/0

**Adjournment:** Karen Krug moved and Leslie Fellner seconded to adjourn the regular session. Passed 5/0

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The Regular Board Meeting adjourned at 8:30 p.m.

**Submitted by:**

**Approved by:**

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**Carol Wood, Secretary**

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**Richard Hilfer, President**

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COMMITTEE REPORTS**

**BUILDING COMMITTEE  
September 3, 2014**

*Building Permits Issued:*

BOBBIE HASSELBRING & ANNE WEAVER: 42 Quinault Loop, to build a new home.

*Demolition Permit Issued:*

RAUL HUERTA: 61 Saddle Dr, Remove existing wood shed.

*Earthworks Permits issued:*

EILEEN BRANSCOME: 70 Fir Pl, Excavation for foundation of new home.

TOM GAMBILL: N Rhododendron, Lot 7, Div 3, Blk 6, Install septic drainfield.

BOBBIE HASSELBRING & ANNE WEAVER: 42 Quinault Loop, excavate for new home.

BARBARA SOLOMON: S Palmer, Lot 4, Div 5, Blk 12, Septic retrofit & monitoring for purposes of obtaining building permit from county.

**Marina Committee  
September 2, 2014**

Attendees: Cape George Manager Art Burke, Marina Committee Chair Penny Jensen, Marina Committee: John Hanks, Paul Happel, Jack Scherting, Thad Bickling, Gary Rossow, Bob Frenette and Mara Favati, Tom Ramsey, Ray Pierson, Bob Powers, Stewart Pugh, Bob Schlentner, Tom Cawrse, Ted Mills, Galen Peterson, Scott James, Dick Poole, Carl Schwersinske, Gary Rossow and Bob Frenette.

The meeting was called to order at 11:00 a.m.

Preliminary costs for the Cape George Waterfront Festival were \$1,325.59 from the Marina Sale Account. \$26.00 was collected from the cost of selling Waterfront Festival Posters. The next Waterfront Festival will be held on August 22, 2015. The Jefferson County Fire/Rescue Boat was in evidence at the Festival. An Art on the Beach may be part of the next Festival. Chair Person Penny would like to develop a financial System for tracking expenditures from the marina account. All reimbursement receipts for marina expenses shall go to Mac or Penny and must be approved in advance by either person. The Marina is accepting donations for the next Marina Sale and can be dropped off at the Cape George shop. The Marina Committee is reviewing the CPO 3 Rules for potential changes that need to be made to make the marina function more efficiently. An E-Mail list is being developed for all marina users so they can be informed of actions and activities in their marina. A Cape George burgee has been designed by Gary Rossow and will be available for sale when all the details are worked out.



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Upcoming projects for the marina are to weld a steel cap on the south seawall. Dock floats have been ordered and will be installed by marina volunteers. A boat rescue occurred when a small boat oarsman ran out of energy and floating north. He and his passenger were pulled into the marina by a CG marina based boat. The Committee Chair requested that a written log be kept at the marina office of rescue occurrences. The contractor to replace the second buoy has is over booked and has not gotten to the replacement of the buoy. Gary Rossow will contact the contractor. Bob Tilley and Jim Bodkin have volunteered to dive on the two buoys next year to check on their condition. They have also offered to dive in the marina to look for and retrieve items of trash that are in our marina. Jim will look at the biological critters in the marina to check out what lives there. Ray Pierson is working with Don Thorn to see if the AC Welder is salvable for repair. The CG Board approved burying the above ground electric cable at the south end of the marina. The funds would have to come from the marina and private funding donations. Pledges for funding will be accepted by Gary Rossow. A motion was made by Gary Rossow; seconded by Paul Happel and approved by the marina committee to cap the pilings in the marina to make them last longer. Standard caps are available commercially and others would have to be fabricated. A suggestion was made to cut off the bad top section and place a standard or fabricated cap on top of the pilings.

A motion was made by John Hanks, seconded by Galen Peterson and approved by the Marina Committee to make a park out of the flat area adjacent to the north seawall. The seawall permit required certain plantings be incorporated into this area. Unused funding should be available for the north seawall to cover the required plantings for this area. Art will follow up on prices for the vegetative plantings for the next study session and board meeting. Items like benches, tables and a gazebo were suggested for the park. A motion was made by Tom Ramsey and seconded by John Hanks to place a weather proof bulletin board to replace the existing photo board. The item was tabled after discussion. Electrical problems and new electrical junction boxes were discussed. Double D Electric is working up a cost proposal on the project. Stewart Pugh mentioned that the Salish Rescue personnel are available when needed to assist in rescues in the area. They use available small boats to affect assistance to boaters in trouble in the area.

Meeting adjourned at 11:50 am.

**WATER ADVISORY COMMITTEE  
September 2, 2014**

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

1. Water Rights – We received an email on August 18 from Bill Clarke, our water rights attorney, that included an email from Marie Peter, DOE which spelled out our status and requested additional information. Marie stated that our existing water rights would be capped at 160 acre feet per year but that the application for an additional 32 acre feet would be processed, bringing our total up to the 192 acre feet as stated in our Water System Plan as approved by DOH. She requested a letter from Cape George that would stipulate “the peak rate for all wells that will be pumped simultaneously to meet peak demand” at full build-out. That would modify the original application

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which was written for Well #6 to reflect the current approach. We discussed the 'letter' and who should prepare it. Art will contact Bob Leach to provide the data and the letter can come from either Bob Leach or Bill Clarke. We looked at the WSP and located the appropriate sections but it needs to reflect the specific information requested by Marie in the email.

2. Backflow / Cross Connection Control Program – the second reminder letter was sent out and we continue to receive the questionnaires. Larry and Greg have been calling members with a 'yes' or 'unsure' checkmark to determine if Greg needs to do an on-site inspection then scheduling appointments. Most of the phone calls are related to water softeners where the issue is the drain line that needs to have an 'air gap' so it couldn't siphon anything back. Those are usually handled by phone only but Greg does inspect them in a few cases. The primary reasons for the backflow assembly devices that we are looking for are related to irrigation systems or boilers. It will take a while to complete this process of calls and inspections.

The reminder letter stated a due date of September 15. We'll then have to review the total responses and prepare a final notice letter to those that haven't yet responded. We'll need to discuss the enforcement strategy at the next meeting for those that still don't reply.

3. Highland Booster Pump House – Art has scheduled contractors to replace the pump house due to substantial water and ant damage to the structure. It has a near flat roof with no eaves so the water just runs down the siding and has caused a lot of damage that's beyond repair. The work will take place next week. Replacement will be paid out of reserves.

Last month we discussed the replacement of a booster pump motor which has been completed. Greg looked into the cost to purchase a backup motor to lessen down time if a motor fails again. There are two 7.5 hp motors and one 5 hp motor so a standby motor, if we were to purchase one, would have to be a 7.5 hp which costs around \$2,400. We also discussed just replacing the 5 hp motor with a new 7.5 hp and not have a standby motor on the shelf. Two 7.5 hp motors will meet most of the needs so we could get by with one motor out of service for the time it took to replace it.

Currently one of the pumps is running all the time in order to maintain adequate pressure at the highest level in our system. A second pump is called for when the first pump can't meet the demand, and then the third pump when the first two can't keep up. The pumps are currently operated on a flow meter and not on pressure. The new Programmable Logic Controller that Stew is working on will change the system to run on water pressure and do a better job of cycling the pumps. Stew wasn't present to discuss the status.

Larry suggested that we might look at a larger variable speed pump that could better meet the demand load. They are more expensive but one variable speed pump could replace two regular pumps. We would still need a substantial backup if the main pump failed.

4. We again discussed either a hot water recirculation system or an in-line heater at the men's shower at the pool. It takes several minutes to get hot water for the shower so people turn it on and then go for a swim so it's hot when they return. Art will look into it

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5. Thad, on behalf of the Emergency Management Committee, raised the question about reserve diesel fuel for the emergency generator at the tank farm. Art said we currently just haul fuel in 5 gallon containers and don't have a diesel delivery supplier. The current emergency planning should be for a 10 day power outage and the question is, would we need to acquire additional fuel to get us through when it might be difficult to obtain. We need to determine how much fuel we would need for a 10 day outage.

The Emergency Management Committee is trained to respond to the tank farm and shut off all the water valves in case of an earthquake to prevent possibly draining the tanks due to water main breaks. We could then determine if there were breaks and control the amount of water we release or ration it. We have a water tank to go on the truck for water delivery in such an emergency.

The next meeting will be on **October 7, 2014 at 5 pm at the Office.**

CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
SEPTEMBER 23, 2014  
3:00 P.M.

**President, Richard Hilfer, opened the meeting at 3:05 p.m.**

**In attendance:** Richard Hilfer, Ray Pierson, Karen Krug, Leslie Fellner, Michael Hinojos

**Motion 1:** Karen Krug moved and Leslie Fellner seconded to adjourn the Special Board Meeting to Executive Session for the purpose of discussing legal issues and conferring with an attorney. Passed 4/0

Carol Wood joined the meeting at 3:15 p.m.

**Motion 2:** Carol Wood moved and Ray Pierson seconded to adjourn the Executive Session and resume the Special Board Meeting. Passed 5/0

**Motion 3:** Ray Pierson moved and Michael Hinojos seconded to adjourn the Special Board Meeting at 4:30 p.m. Passed 5/0

**Submitted by:**

**Approved by:**

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**Carol Wood, Secretary**

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**Richard Hilfer, President**

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
October 16, 2014  
7:00 PM**

**President Richard Hilfer called the meeting to order at 7:05 p.m.**

- A. Welcome
- B. An Executive Session is scheduled to follow the Board Meeting for the purpose of discussing a legal issue involving a member and issues concerning personnel.

**In Attendance:** Richard Hilfer, Ray Pierson, Carol Wood, Karen Krug, Leslie Fellner, Katie Habegger, Michael Hinojos.

**Action on Minutes:**

Carol Wood moved and Karen Krug seconded to approve the September 3, 2014 Special Board Meeting minutes. Passed 6/0

Carol Wood moved and Ray Pierson seconded to approve the September 11, 2014 Board Meeting minutes. Passed 6/0

Carol Wood moved and Leslie Fellner seconded to approve the September 23, 2014 Special Board Meeting minutes. Passed 6/0

**Membership Report:** Carol Wood

- Justin & Shana Hirsch purchased 200 N Rhododendron Drive from Catherine Simmons
- Constance Nelson purchased Lot 21-4 Maple Drive from Nils and Laurie Anderson

**Treasurer's Report:** Karen Krug

**TREASURER'S REPORT  
As of September 30, 2014**

**2014 Balance Sheet:**

Cash accounts are detailed on the following page. All bank account statements have been reviewed and all accounts reconciled; no cash accounts were opened or closed during the month.

Operating cash remains at acceptable levels through the end of September with about one-half of the final quarter's collections already received.

Net uncollected accounts of \$20,000. Seven accounts are responsible for over three-quarters of the entire that amount and it is time to take much more aggressive actions, including liens, to secure some portion of those outstanding amounts.

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**2014 Income Statement comments:**

Highly condensed operating summaries are included on the following page.

With the fiscal year three-quarters complete, estimations of year-end performance become more meaningful. Using year-to-date performance through September as a baseline, preliminary estimations of year end results yields the following:

	Original 2014 Budget	Anticipated End of Year 2014	
<b>General Operations Net Excess Cash</b>	<b>\$13,600</b>	<b>\$11,600</b>	(Includes the \$9,000 purchase of new locks)
<b>Water Operations Net Excess Cash</b>	<b>\$52,850</b>	<b>\$58,450</b>	
<b>Marina Operations Net Excess Cash</b>	<b>\$10,900</b>	<b>\$17,800</b>	

The above estimations assume that nothing major or out of the ordinary occurs during the last three months of the year. Things that could cause the estimation to change include events such as exceptionally high utility costs, unanticipated legal fees, major non-reserve repairs, correction of allocation errors, actual bad debts and audit adjustments.

**Final North Seawall Financial Update and Refund Calculation:**

*Pending Board approval on October 16, 2014, checks are scheduled to be mailed on Friday, October 17, 2014.*

<b>Total Project Expenses by major category:</b>	
Primary construction - Orion Marine Group	\$327,049
Project oversight - Hillman Consulting	12,175
Engineering - MC Squared	6,425
Core Sampling - Hollocene Drilling	3,266
Misc. work - Shearer Excavation	2,643
Surveys - Marine Survey & Assessment	1,743
Miscellaneous materials and supplies <sup>(1)</sup>	4,397
Permit costs - Seawall Task Force <sup>(2)</sup>	0
Other costs assigned only to Special <sup>(3)</sup>	2,643
Total project expenditures	\$360,340
<b>Special Assessment Portion @75% = \$270,894 <sup>(3)</sup></b>	
Marina portion @ 25% = \$89,445 <sup>(3)</sup>	
<i>(1) Labor for misc. projects supplied by members</i>	
<i>(2) Permit application prepared and submitted by members of the Seawall Task Force.</i>	
<i>(3) Interest income, bad debts and refund costs assigned only to Member Special assessment.</i>	

<b>Members' Special Assessment (\$444 X 662):</b>	<b>\$293,928</b>
Less costs assigned to special assessment:	
75% portion of actual project costs (\$268,252)	(\$268,252)
Bad debt expense (8 lots) (2,565)	(2,565)
Refund costs (550)	(550)
Add Interest income on assessment 473	473
Total project costs assigned to Members	( <b>\$270,894</b> )
<b>Excess Special Assessment</b>	<b>\$23,034</b>
<i>Number of Paid members due refunds 654</i>	
<b>REFUND DUE (per single lot) <sup>(4)</sup></b>	<b>\$35.22</b>
<b>Marina Reserve Expenditures:</b>	
Bad debts assigned to marina	\$0
Actual draws for expenses (25%)	(89,445)
Cost of Refund (postage & mailing supplies)	0
	( <b>\$89,445</b> )
<i>(4) Verification of special assessment payments and processing of refunds completed by members of the Cape George office team.</i>	

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**BOARD OF TRUSTEES MEETING**  
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**CAPE GEORGE COLONY CLUB**

**Balance Sheet as of September 30, 2014 and 2013**

<b>Assets</b>	<b>2014</b>	<b>2013</b>	<b>Liabilities and Fund Balances</b>	<b>2014</b>	<b>2013</b>
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 74,449	\$ 150,182	Accounts Payable & Other Liabilities	\$ 14,845	\$ 10,335
Operating Investment-Savings	70,034	70,013	Unearned Income General/Water/Etc.	58,018	637
Petty Cash (2 accounts)	600	600	Unearned Income Other	-	-
Reserves - General, Water & Marina	336,985	399,040	Unearned Income Marina Wait List	650	600
Special Reserves - S. Seawall & Berm	51,322	-	Due to General Reserve (Loan)	54,067	-
North Seawall Special Reserve	26,014	276,054	Total Current Liabilities	127,580	11,572
Total Cash & Equivalents	559,404	895,889			
Net Accounts Receivable	8,734	20,129	North Seawall Assessment Liability	293,928	293,928
Due from S. Seawall Reserve (Loan)	54,067	-	South Seawall Assessment Liability	99,300	-
SpclAssmnts Rcvbl(Berm, N&S Seawall	55,140	6,483			
Total Net Fixed Assets	1,857,208	1,490,449	<b>FUND BALANCES:</b>		
Total Prepaid & Other Assets	30,874	30,536	Fund Balances (Combined)	1,926,417	1,931,394
			Modified Cash Basis CY Income	118,202	206,592
<b>TOTAL ASSETS</b>	<b>\$2,565,427</b>	<b>\$2,443,486</b>	<b>Total Liabilities and Fund Balance</b>	<b>\$2,565,427</b>	<b>\$2,443,486</b>

**Summary Revenue and Expense Statements for the periods ended September 30 (Modified Cash Basis)**

<b>2014 Year to Date</b>					<b>COMPARATIVE</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>		<b>2014 YTD</b>	<b>2013 YTD</b>	<b>Variance</b>	<b>%</b>
General Assessment	\$ 206,544	\$ 206,544	-	0%	General Assessment	\$ 206,544	\$ 264,853	\$ (58,309)	-22%
Revenue - All Other Sources	19,343	19,113	230	1%	Revenue - All Other Sources	19,343	37,054	(17,711)	-48%
Total General Revenue	225,887	225,657	230		Total General Revenue	225,887	301,907	(76,020)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	97,881	91,720	(6,161)	-7%	Salaries, Benefits, PR Tax	97,881	94,476	(3,405)	-4%
Repairs & Maintenance	15,763	12,354	(3,409)	-28%	Repairs & Maintenance	15,763	19,463	3,700	19%
Contracted Services	37,053	38,220	1,167	3%	Contracted Services	37,053	36,919	(134)	0%
Insurance	18,722	17,050	(1,672)	-10%	Insurance	18,722	15,666	(3,056)	-20%
Pool expenses	20,456	15,364	(5,092)	-33%	Pool expenses	20,456	12,072	(8,384)	-69%
Other Expenses (incl taxes)	28,021	35,887	7,866	22%	Other Expenses(incl taxes)	28,021	20,866	(7,155)	-34%
Total General Expenses	217,896	210,595	(7,301)		Total General Expenses	217,896	199,462	(18,434)	
<b>General Net Income</b>	<b>\$ 7,991</b>	<b>\$ 15,062</b>	<b>\$ (7,071)</b>	<b>-47%</b>	<b>General Net Income</b>	<b>\$ 7,991</b>	<b>\$ 102,445</b>	<b>\$ (94,454)</b>	<b>-92%</b>
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 136,620	\$ 137,160	\$ (540)	0%	Revenue - Water Use Fees	\$ 136,620	\$ 182,070	\$ (45,450)	0%
Revenue - All Other Sources	3,643	2,000	1,643	82%	Revenue - All Other Sources	3,643	4,819	(1,176)	-24%
Total Water Revenue	140,263	139,160	1,103		Total Water Revenue	140,263	186,889	(46,626)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	42,172	46,611	4,439	10%	Salaries, Benefits, PR Tax	42,172	42,761	589	1%
Repairs & Maintenance	8,155	4,538	(3,617)	-80%	Repairs & Maintenance	8,155	2,878	(5,277)	-183%
Contracted Services	11,833	10,296	(1,537)	-15%	Contracted Services	11,833	29,331	17,498	60%
Insurance	10,032	10,786	754	7%	Insurance	10,032	10,094	62	1%
Other Expenses (incl taxes)	22,240	26,595	4,355	16%	Other Expenses(incl taxes)	22,240	24,454	2,214	9%
Total Water Expenses	94,432	98,826	4,394		Total Water Expenses	94,432	109,518	15,086	
<b>Water Net Income</b>	<b>\$ 45,831</b>	<b>\$ 40,334</b>	<b>\$ 5,497</b>	<b>14%</b>	<b>Water Net Income</b>	<b>\$ 45,831</b>	<b>\$ 77,371</b>	<b>\$(31,540)</b>	<b>-41%</b>

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**Marina**

Revenue - Marina Moorage	\$ 45,278	\$ 44,662	\$ 616	0%
Revenue - All Other Sources	14,813	14,209	\$ 604	4%
Total Marina Revenue	60,091	58,871	1,220	
Expenses:				
Salaries, Benefits, PR Tax	8,474	10,647	2,173	20%
Repairs & Maintenance	14,714	13,288	(1,426)	-11%
Contracted Services	1,847	3,124	1,277	41%
Insurance	4,990	5,543	553	10%
Other Expenses (incl taxes)	6,037	7,278	1,241	17%
Total Marina Expenses	36,062	39,880	3,818	

**Marina Net Income**      **\$ 24,029**    **\$ 18,991**    **\$ 5,038**    27%

Interest Income - Reserves	632	-	632	
Berm Special Assessment	39,720		39,720	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 118,202</b>	<b>\$ 74,387</b>	<b>\$ 43,816</b>	59%

*\*\*Modified Cash Basis, Excludes Depreciation*

**Marina**

Revenue - Marina Moorage	\$ 45,278	\$ 42,916	\$ 2,362	0%
Revenue - All Other Sources	14,813	14,261	552	4%
Total Marina Revenue	60,091	57,177	2,914	
Expenses:				
Salaries, Benefits, PR Tax	8,474	7,083	(1,391)	-20%
Repairs & Maintenance	14,714	10,802	1,764	-36%
Contracted Services	1,847	3,870	2,023	52%
Insurance	4,990	3,497	(1,493)	-43%
Other Expenses (incl taxes)	6,037	6,318	281	4%
Total Marina Expenses	36,062	31,570	1,184	

**Marina Net Income**      **\$ 24,029**    **\$ 25,607**    **\$ (1,578)**    -6%

Interest Income - Reserves	632	1,169	(537)	
Special Assessment Income	39,720		39,720	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 118,202</b>	<b>\$ 206,592</b>	<b>\$ (88,389)</b>	-43%

KCK 01/16/14

**Manager's Report: Art Burke**

The unused rebar from the north seawall replacement project has been sold for \$600. The \$600 has been returned to the appropriate accounts in the prescribed amounts - \$450 to North Seawall Replacement account and \$150 to Marina Reserve account.

The 2015 budget development process is approaching completion.

We have received two estimates for the installation of a dehumidification system for the pool building. Both estimates are in the \$135,000 range and will be further reviewed and considered by the Trustees.

The second annual flu shot program was a success with a total of 72 immunizations being provided to community members. Thanks to member (and pharmacist) Steve Shapiro and his Safeway Pharmacy crew for setting up in the Clubhouse and making it easy for members to be protected for the upcoming flu-season.

A small connection in Well House #4 failed and resulted in a control panel getting drenched with water. As a result the circuit boards operating the soft-starts for wells 4 and 8 needed to be replaced. Repairs were immediately initiated and have been completed.

Projects being worked on by office staff includes:

- Coordinating the refund of north seawall assessment funds to members who contributed to this project.
- Continue work on collection and data entry of water cross connection control questionnaires. We are down to 10 addresses that have not returned surveys plus a small number of residences where water has been turned off.
- The electronic lock system changeover has become complicated by older cards and fobs not having the same coding as newer cards and fobs. We are working toward having this issue resolved in the next week.



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A drainage improvement project was completed in the Village.

Jefferson County Public Health completed a pollution prevention inspection of the pool facility and has sent us a letter notifying us that we are in compliance with the state environmental requirements. Work continues on obtaining a permit for the installation of a protective berm. We have recently had a detailed survey conducted of all of our drains in the Clubhouse/Pool buildings to verify that they are connected to an improved septic system. It has been determined that a part of our septic system in operation for 15+ years was installed without the benefit of a permit. We will be contracting with a septic designer to follow the steps necessary to have the system permitted.

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

- Report of two men going door-to-door in the Village asking to pick apples.
- Report of the Workshop door not secured.
- Report of the Fitness Room door not secured.
- Multiple hedge complaints in the Colony.
- Report of a lost dog in the Highlands.
- Report of a portable basketball stand being placed too close to the road in the Village.
- Report of two sailboats having sails unfurl in the marina during a recent high wind event.

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

**Information Items:**

- A. The Trustees requested that the Marina Committee provide an updated copy of the proposed changes to Cape George rule CP03 Marina Usage to be published in the November newsletter for member comment. Comments received will be discussed at the November Study Session.
- B. A group of three Trustees will accompany the Manager to view and provide input on the current hedge complaints.

**Member Participation:**

There was no member participation.

**New Business Agenda Items:**

**Motion 1:** Leslie Fellner moved and Michael Hinojos seconded to present the recommendation from the Building Committee amending the Building and Property Regulation relating to decks to the membership for voting in the November ballot package. The Building Committee recommends adding the following under Definitions:

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DECKS: Any part of a structure that is an open platform. The word “decks” would also be added to the regulations to support the definition in the third line of 4.10 SETBACKS, which would then read: “Eaves, overhangs, and decks are considered part of the structure.”

Passed 6/0

**Motion 2:** Karen Krug moved and Ray Pierson seconded to reaffirm the commitment made by the Board of Trustees in December 2011 and based on final accounting and collection information included in the October 2014 Treasurer’s Report that refunds, in the amount of \$35.22 per single lot for owners who paid the assessment, be sent to Members as per the detail available for review. Passed 6/0

**Motion 3:** Carol Wood moved and Karen Krug seconded to accept the results of the petty cash audit as presented. Passed 6/0

**Motion 4:** Karen Krug moved and Ray Pierson seconded to name the Cape George tank farm the “Ed Skowrya Memorial Water Facility” in recognition of Ed Skowrya’s many years of service to the community. Passed 6/0

**Motion 5:** Richard Hilfer moved and Katie Habegger seconded to submit a reserve funding proposal to the membership for vote in the November Ballot package. After discussion, Richard Hilfer withdrew his motion and will re-submit it at the Special Board Meeting on October 23, 2014.

**Motion 6:** Michael Hinojos moved and Ray Pierson seconded to approve Resolution No 10-01-14 to transfer \$4,940.60 from Marina Reserves to General Checking account for the Marina dock replacement project, KADCO USA-\$4,447.20, Arrow Lumber-\$316.67 and Tacoma Screw-\$146.73. Passed 6/0

**Motion 7:** Katie Habegger moved and Karen Krug seconded to approve Resolution No 10-02-14 to transfer \$6,348.40 from Water Reserves to General Checking account for the replacement of the Highland Pump Station, Better Bilt Storage Barns-\$4,590.50 and Double D Electric-\$1,757.90. Passed 6/0

**Motion 8:** Michael Hinojos moved and Leslie Fellner seconded to approve Resolution No. 10-03-14 to transfer \$67.85 from Marina Reserves to General Checking Account and \$203.55 from North Seawall Special Assessment Account to General Checking Account for the North Seawall Replacement Project, Sound Native Plants-\$133.43 and Seattle Native Plants-\$137.97. Passed 6/0

**Open Board Discussion:**

There was additional discussion on the Reserves and Marina Rule CP03. No decisions were made.  
Announcements:

- A. Special Board Meeting (Budget) – October 23, 3:00 p.m.
- B. Study Session – November 11, 3:00 p.m.
- C. Board Meeting – November 13, 7:00 p.m.

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**Adjourn to Executive Session:** Carol Wood moved and Karen Krug seconded to adjourn to Executive Session for the purpose of discussing a legal issue involving a member and issues involving personnel. The meeting adjourned at 8:02. Passed 6/0

Carol Wood moved and Karen Krug seconded to adjourn the Executive Session and return to regular session. 8:55 p.m. Passed 6/0

Karen Krug moved and Michael Hinojos seconded to approve the following staff wage increases for 2015:

Sally Lovell	5% increase (Part Time/No Benefits)
Sharon Mitchel	4% increase (Full Time/Benefits)
Donnie Weathersby	3% increase (Full Time/Benefits)
Chris Welcome	3.5% increase (Seasonal Part Time/No Benefits)
Art Burke	4.5% (Full Time/Benefits)

Passed 6/0

**Adjournment:** Michael Hinojos moved and Katie Habegger seconded to adjourn the regular session. 9:00 p.m. Passed 6/0

**Submitted by:**

**Approved by:**

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Carol Wood, Secretary

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Richard Hilfer, President

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**Committee Reports**

**BUILDING COMMITTEE**

**October 6, 2014**

*Building permits issued:*

BOBBIE HASSELBRING & ANNE WEAVER: 42 Quinault Loop, build a new residence

LARRY & TRISHA DAVIS: 60 Maple Dr, install a new manufactured home

RAUL HUERTA: 61 Saddle Dr, install new trusses to allow room for insulation.

*Earthworks permits issued:*

LARRY & TRISHA DAVIS: 60 Maple Dr, excavate for manufactured home

PHILIP SPOONER: 561 Saddle Dr, clearing for construction of workshop & installation of septic tank & line to existing system.

**ENVIRONMENTAL COMMITTEE MINUTES**

**September 8, 2014**

IN ATTENDANCE: Art Burke, Christine Buzzard, Sue Dunning, Dennis Fellner, Betty Hanks, Katie Habegger, Joan Hommel, Penny Jensen, Norma Lupkes, Jo Nieuwsma, Kitty Rucker, Robin Scherting, Steve Shapiro

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

II. APPROVAL OF MINUTES: The August minutes were approved as read.

III. FISCAL REPORT: \$1,161.93 - EC Treasury & \$2106.64 - for the Beach/Berm project.

IV. OLD BUSINESS:

A. Beach/Berm Report – Art reported the end of the 30-day public notice posting by Jefferson County. It is anticipated that the 60-day waiting period should mean the final permit will be issued around October 1 with concern on the part of Coastal Geologic Services as to the slow permitting response of the county.

B. Roman Vinalia Feast – The October EC Fundraiser/Newcomer Dinner with Italian food on the potluck menu will be held on October 11 with Dennis Fellner as the chair. The cut-off date for RSVPs will be October 8 and the ticket price will be \$5.00 to include a Lemon-Jello Shot and glass

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of Chianti. Robin will purchase the cups and prepare the shots. Dennis will purchase the wine and glasses with additional beverages available for a \$1.00 donation and will provide the music. Helpers for set-up are Kitty, Robin, Katie, Norma, Gretchen and Chris who will serve as decorations chair to include "Italian items" on checkered tablecloths purchased by Betty. A raffle (tickets sold for \$1 or 6 for \$5) and a silent auction will be held with a letter in the newsletter requesting donations and members of the committee responsible for acquiring items. Proceeds from the event will be applied to future environmental projects.

C. Septic Tank Lecture - Discussion tabled until October.

**V. NEW BUSINESS**

A. North Seawall Park – A project to construct a park at the new seawall with a gazebo and appropriate plantings has been proposed and a motion was made and seconded for the EC to assist in the project with John Hanks as the marina liaison. Suggestions for a name for the park will be solicited from the membership to be submitted by Nov 1.

B. Tansy Ragwort – A motion was made and seconded to have Art write an article to the community on an e-mail blast expressing concern over the spread of tansy ragwort in the community. It will include pictures and information and offer help in identification and pulling it out by volunteers of the Environmental Committee.

VI. ADJOURNMENT: The meeting was adjourned at 10:28.

Respectfully submitted: Norma J. Lupkes

**ENVIRONMENTAL COMMITTEE**

**October 7, 2014**

**IN ATTENDANCE:** Art Burke, Christine Buzzard, Gretchen Cooper, Sue Dunning, Dennis Fellner, Betty Hanks, Katie Habegger, Norma Lupkes, Kitty Rucker, Robin Scherting

The meeting was called to order at 9 15 A.M by Kitty. The September minutes were approved as read.

**FISCAL REPORT:** \$1,059.93 - EC Treasury & \$2106.64 - for the Beach/Berm project.

**OLD BUSINESS:**

**A. Beach/Berm Report** – Art reported the end of the 30-day public notice posting by Jefferson County with two comments submitted. The first was from the Historic Preservation & Archeology Agency concerning the disturbance to the shoreline area during berm construction. Art has contacted a local archeologist and supplied him with photos of the area – initially he feels the key distinction is that we are filling and not digging in the beach area. The Agencies conclusion has not yet been received. The second comment was from Jefferson County Health Dept. concerning an old septic tank that had not been registered as abandoned – dye tests were done and we are now working with a septic tank designer to meet the counties requirements for our system.

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**B. Roman Vinalia Feast** – The October EC Fundraiser/Newcomer Dinner with Italian food on the potluck menu will be held on October 11 with Dennis Fellner as the chair. All plans for the event were discussed. The decorating committee will meet at 10:00 at the clubhouse to decorate and construct the “laurel wreaths” for attendees. An Italian Quiz will be held with Dennis supplying the questions to each table with a prize for the winning table to share. A motion was made and approved to send a thank-you notes to contributors of the items provided for the auction and raffle.

**C. Septic Tank Lecture** - Discussion tabled until November.

**D. North Seawall Park** – Robin volunteered to be the rep from the EC on the new north seawall park with John Hanks of the Marina. Suggestions for a name for the park will be solicited from the membership to be submitted by Nov 1.

**E. Tansy Ragwort** – An e-mail blast about the spread of tansy ragwort was sent out with good response. An owner requested help and Kitty and Dennis pulled a truck load of tansy from an empty lot. They received an \$85.00 donation for the EC for their work!

**NEW BUSINESS:**

- **Adventures of Joan Hommel** – Joan and husband sent an email they were 200 miles into their hike from France into Spain.
- **Request for help in planting native plant for the North Seawall** – On Monday Oct. 27 at 10:00 near-shore habitat placement plants (36-48) will be planted by Gretchen, Robin, Dennis, Norma & Katy & Kitty.
- **Request for Service Project for EC:** A motion was made and seconded to support The Boiler Room (a facility for “alternative young people”) in downtown PT. Robin presented a wish list of items which will be scanned and emailed to all EC members who will be asked to bring an item to the next meeting.

**ADJOURNMENT:** The meeting was adjourned.

**MARINA COMMITTEE  
October 7, 2014**

Chairman Penny Jensen called the meeting to order in the shop at 11 am. Approximately 20 members were present.

Penny reported that:

- The second mooring buoy outside the marina entrance has been re-installed, thanks to efforts by Gary Rossow and others.
- Penny, Art and others are trying to finalize a 2015 budget.
- Volunteer work continues on aging pilings, two of which have developed splits.

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- Volunteers continue to replace marina floats – about four per workday when weather and other conditions permit.

Gary Rossow proposed that Cape George proceed with undergrounding the power lines at the south end of the marina at the estimated cost of \$4700. The money would be raised with a combination of operating funds, the memorial fund and volunteer donations. The proposal was approved by a vote of 13-3.

Members discussed a proposal from the harbormaster to raise rates for kayak and small boat storage at the marina. Penny explained that the draft 2015 budget leaves a cushion of about \$3700 for unexpected expenditures, which she believes is inadequate. There was no agreement, so the committee appointed a small working committee to discuss further and come up with a proposal.

A large, 38 foot sailboat has arrived at the marina, but members expressed concern that it may be too big. The owner will be asked to install a bow thruster or demonstrate that he can handle such a large boat in the confines of the marina.

The meeting was adjourned at 12:10 pm.

**Meeting of the Marina Fees Working Group at 10 am Saturday, October 11, 2014**

Penny Jensen called the meeting to order.

Present were Penny, Ross Anderson, Gary Rossow, Ben Fellows and Mac McDonald.

Ross Anderson proposed that additional revenue be raised by increasing moorage rates for larger boats, while small boat moorage remains unchanged. After some discussion, the group agreed to propose a \$2 per foot increase per year for boats over 20 feet. The increase would be less than \$40 per year for mid-sized boats, up to \$80 per year for the largest boats.

Mac proposed to increase kayak moorage from \$45 to \$125 per year. Other members felt this was excessive. The group agreed to propose an increase to \$60 per year.

The group also proposed to reduce the annual rampage fee (for use of the boat ramp) to \$50.

These proposals will be put to the marina committee on Oct 14.

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BOARD OF TRUSTEES MEETING  
October 16, 2014  
7:00 PM

**POOL COMMITTEE**  
**October 1, 2014**

**ATTENDEES:**

Art Burke, Bruce Candioto, Rocky D'Acquisto, Leslie Fellner, Norma Lupkes, Robin Scherting

**NOTES:**

The entry card/fob issue associated with a facility code is still being resolved; those who are still having issues using their card/fob should contact the office. Art reported that the locksmith is arriving this week to address all the latest entry issues and the office continues to pursue the problem of tying the facility code to each entry device.

Rocky will order a "larger" hours sign for inside the pool with the location yet to be determined.

The research for the hot water recirculation system for the men's shower showed it would be feasible to run flex piping with a timer to the main water heater. This has been put on the maintenance winter schedule.

The current situation with the pool HVAC/humidity project was discussed and Art reported that he has received a turn-key quote from Desert Aire for ~ \$130K. Air Reps of Bellevue made a recent site visit and will be submitting an additional quote in the near future.

Bruce presented an idea for consideration of an on-site (clubhouse/ marina area) caretaker in an RV for security reasons. He will pursue the concept with the Marina and Fitness Committees before presenting to the Board.

The Pool Committee will again host/sponsor the St Pats event in March. It will be some sort of an "Irish" event with a silent auction with details to be worked out in the next few meetings.

Respectfully submitted,  
Norma J. Lupkes

**WATER ADVISORY COMMITTEE**  
**October 7, 2014**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Larry Southwick, Committee Chair; and member Scott James.



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1. Greg was absent due to surgery last week and won't be available for a few weeks. That has postponed inspections for the cross connection program until he's able to resume work.
2. Ed Skowyr, long time Water Committee Chair, passed away on September 10-11. For many years, Ed was the primary person for anything related to the water system. He was instrumental in the development and operation of the physical plant – wells, pumps and motors, control systems, water treatment system, storage tanks and distribution system – as well as the engineering and administrative work. Ed led the entire effort for the successful writing of our Water System Plan recently approved by the Dept. of Health. He also led the fight with the Dept. of Ecology regarding our long term water rights which he won for us.

The Board asked the Water Committee to make a recommendation regarding a memorial for Ed. All agreed that naming the well/tank site for Ed would be very appropriate, such as the ED SKOWYRA WATER FACILITIES. Scott will work with others to develop a proposal for an appropriate sign that would be mounted at the site. We will then raise funds to pay for it and plan an event at the property to celebrate the dedication to Ed. The services for Ed will be held on October 18 at 1pm at the 1<sup>st</sup> Presbyterian Church in Port Townsend. Members are encouraged to attend (Larry will be out of town).

3. Backflow / Cross Connection Control Program – the third and final notice to members that have not yet returned the water use questionnaire was sent out in September with the due date of October 6. As of today, there were only 19 water services that haven't returned the questionnaire. Of those, 8 already have the water turned off for one reason or another so we'll just put the requirement for completion and inspection on their account before the water service is resumed. Of the other 11, most we'll be able to get response by direct phone contact. We must enforce the requirement so the last resort for non-compliance will be to threaten shutoff of water service for any that still don't respond.

We still have a lot of phone calls to make to resolve any issues noted on the questionnaires with follow up inspections by Greg when he returns. That needs to be completed so we'll have a definitive listing of all the backflow assemblies that will require annual testing.

We are very satisfied with the cooperation of our members to this program as reflected by the high rate of compliance. And we appreciate all the effort that Bob Frenette has contributed in developing the database for the program.

4. Water rights – nothing new but understand that Bill Clarke was going to submit the response to the DOE request to keep it moving forward in the queue and leave a placeholder for the data to be supplied by Bob Leach. Bob has just returned from an extended vacation which delayed his response. Art will email Bob to get the final data submitted to DOE.
5. Galvanized pipe – Since last meeting, Larry suggested that we should cut into a couple locations of 2" galvanized pipe to determine if there is significant corrosion, similar to the test sections we cut

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out of the AC pipe. Iron pipe tends to corrode and the buildup of corrosion inside the pipe can substantially restrict water flow and pressure. We have 2" galvanized pipe in the cul-de-sacs of Queets, Quilcene and Dungeness, Colman Place and West Vancouver plus a pipeline from Sunset down to the marina. Larry's inventory shows we have 2,380 feet of 2" pipe in the system. We should be able to take a couple samples of the pipe with our own resources.

6. Highland Booster Pump House – Art reported that the replacement of the pump house went very well as planned, start to finish in 3 days. They also painted all of the buildings and replaced the roof on one of the pump houses. And they cut off the extended concrete slabs at the pump houses and added flashing at the bottom of the walls to protect from water ponding at the base of the wood buildings.

Art also reported that we had a break in one of the chlorination injectors that sprayed water on the new soft-start systems for the pumps and damaged the circuit boards. Replacement for the 2 boards costs around \$1,500 each plus the electrician's labor to replace them. They will put some protection around those injectors so any similar breaks in the future wouldn't spray water all over the inside of the pump station.

7. In response to the Emergency Management Committee request, Donnie kept track of the diesel fuel that is required to run the emergency generator for the pumps. A 2 hour run used 5 gallons of fuel. We have a 180 gallon fuel tank and they keep it mostly full. At that rate, a full tank would run the generator for 72 hours. During an emergency, we would shut off or substantially reduce available water flow plus put the community on severe water use restrictions that would extend the water in our tanks and reduce the need for pumping to a minimum. The Highlands upper area relies on the booster pumps to supply all of their water which would also be put on limited use and run only at critical times during the days when power is off. We can manage the use of the generator to match the limited water use and available fuel. We should be able to get additional diesel fuel during an extended power outage.

The next meeting will be on **November 4, 2014 at 5 pm at the Office.**

**CAPE GEORGE COLONY CLUB  
SPECIAL BOARD OF TRUSTEES MEETING  
OCTOBER 23, 2014  
3:00 PM**

**President Richard Hilfer called the meeting to order at 3:00 p.m.**

- A. Welcome
- B. An Executive Session is scheduled to follow the Special meeting for the purpose of discussing a personnel issue.

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

**Motion 1:** Richard Hilfer moved and Carol Wood seconded to approve the proposed and amended Bylaw Amendment regarding the reserve assessment and present it to the membership for their vote in the November budget package.

**Budget presentation – Art Burke and Karen Krug**

- A. Proposed 2015 Comparative Operations – Exhibit A
- B. Proposed 2015 Revenues – Exhibit B
- C. Proposed 2015 Expenses – Exhibit C
- D. Proposed 2015 Capital Budget/Replacement & Repairs – Exhibit D
- E. Proposed Assessment and Fees Schedule – There was discussion about Rampage charges.
- F. Required WA State reserve disclosure documents. – Clerical errors in these documents were noted by the Treasurer.

**Board member questions and discussion of proposed budget**

**Member participation and questions regarding budget**

- A. A member suggested raising water fees by 4%.

**Board recommendations for possible changes to budget**

- A. The Board agreed not to change 2015 Rampage charges and refer the issue of reducing/eliminating them to the Marina Committee for future consideration.
- B. The corrections to the Disclosure documents and Exhibit D will be made prior to Budget Package mailing.

**Board actions to approve budget**

**Motion 1:** Carol Wood moved and Leslie Fellner seconded to approve as prepared and recommended by the Manager the proposed increases in general assessment and fees for 2015. Passed 5/0

**Motion 2:** Ray Pierson moved and Katie Habegger seconded to approve as prepared and recommended by the Manager the proposed 2015 Capital Budget. Passed 5/0

CAPE GEORGE COLONY CLUB  
SPECIAL BOARD OF TRUSTEES MEETING  
OCTOBER 23, 2014  
3:00 PM

**Motion 3:** Carol Wood moved and Ray Pierson seconded to approve as prepared and recommended by the Manager the proposed 2015 Operating Budget. Passed 5/0

**Motion 4:** Leslie Fellner moved and Katie Habegger seconded to submit the Board recommended budget to the Cape George Membership for their consideration in the November ballot vote. Passed 5/0

**Motion 5:** Karen Krug moved and Leslie Fellner seconded to approve as prepared and recommended by the Manager, the amended and required WA State reserve disclosure documents. Passed 5/0

**Need for follow-up Special Board Meeting**

A follow up meeting was not necessary.

**Announcements**

November 11, 2014 – Study Session 3:00 PM

November 13, 2014 – Regular Board Meeting 7:00 PM

**Adjourn to Executive Session:** Carol Wood moved and Ray Pierson seconded to adjourn to Executive Session at 4:35 for the purpose of discussing a personnel issue. Passed 5/0

Carol Wood moved and Ray Pierson seconded to adjourn the Executive Session and return to regular session. Passed 5/0

**Adjournment:** Leslie Fellner moved and Ray Pierson seconded to adjourn the regular session at 4:45 p.m. Passed 5/0

**Submitted by:**

**Approved by:**

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Carol Wood, Secretary

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Richard Hilfer, President

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
NOVEMBER 13, 2014  
7:00 PM**

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

- A. Welcome
- B. The election packet was mailed on October 31st. Members interested in the option of voting by proxy can pick up a proxy envelope in the office or request that one be mailed to them by contacting the office.
- C. An Executive Session is scheduled to follow the Board Meeting for the purpose of discussing legal communication from our attorney.

**In Attendance:** Richard Hilfer, Ray Pierson, Carol Wood, Karen Krug, Leslie Fellner, Katie Habegger, Michael Hinojos

**Action on Minutes:** Carol Wood moved and Ray Pierson seconded to approve the October 16, 2014 Board Meeting minutes. Passed 6/0

Carol Wood moved and Ray Pierson seconded to approve the October 23, 2014 Special Board Meeting minutes. Passed 6/0

**Membership Report:** Carol Wood

- Patricia Muller purchased 271 Ridge Drive from John and David Houtrouw
- Marvin Horton purchased 451 Dennis Boulevard from Russell and Sheila Graves

**Treasurer's Report:** Karen Krug

**TREASURER'S REPORT  
As of October 31, 2014**

**2014 Balance Sheet:**

Cash accounts are detailed on the following page. All bank account statements have been reviewed and all accounts reconciled; no cash accounts were opened or closed during the month.

Operating cash remains at acceptable levels through the end of October. All North Seawall refund checks are clearing through the operating cash account and the funds for those refunds will not be transferred until December.

Gross accounts receivable stand at \$28,000. Seven accounts are responsible for over three-quarters of the entire that amount. A work group has been formed to review the use of external collection firms to secure some portion of those uncollected accounts although any results will not occur until 2015.

Both North and South Seawalls have been recognized as assets, the liabilities cleared and income recognized. The loan from the General Reserve to the South Seawall project will remain on the books throughout 2015 as funds are collected on the second year of that assessment and applied against the loan.

There is a misstatement in the Berm Special Assessment account. The balance is about \$4,500 higher than it should be and will likely be traced to a misapplied posting between Berm and South Seawall accounts or to an understated receivable balances. The cause for the misstatement will be determined and corrected prior to November month end.

# CAPE GEORGE COLONY CLUB

## BOARD OF TRUSTEES MEETING

### NOVEMBER 13, 2014

### 7:00 PM

#### 2014 Income Statement comments:

Highly condensed operating summaries are included on the following page.

During work on next year's budget an error in the allocation of labor was noted and corrections were made to bring wages and salaries plus associated benefits in line with the 2014 approved budget allocations. This resulted in reduced labor costs of about \$2,000 in the General cost center with \$1,000 increases in each of the Water and Marina cost centers.

For all three costs centers virtually all expected annual revenues has now been recognized. There will be some miscellaneous revenues during the last two months, especially in the General cost center but these will be minor.

#### General Operations:

General operations will is expected to generate another \$1,000 to \$2,000 from miscellaneous types of revenue over the next two months. Most operating expenses will perform like the average of the past ten months with exceptions being the one-time Berm permit fee early in the year and the recent expenditure for the new lock system. Bad debt expense, as always, will be recognized in December. It appears unlikely that general operations will achieve the original net income target but will fall short by only several thousand dollars.

#### Water Operations:

Absent another new water hookup, water operations should not see any additional revenue this year. Operating expenses will continue at about the same average as the past ten months with no additional large repair expenses expected. Bad debt expenses, like for general operations, will be recognized during December. Water operations are likely to fall short of the original net income target by several thousand dollars, nearly all the result of unexpected repair costs.

#### Marina Operations:

Marina operations will see additional donation income over the next several months and will also recognize the cost of burying the power line to offset that income. Routine marina operations excluding annual dredging, average about \$3,000 per month and the marina does not generally incur bad debts. The marina should finish the year at a net income amounts better than originally budgeted.

### CAPE GEORGE COLONY CLUB

#### *Balance Sheet as of October 31, 2014 and 2013*

Assets	2014	2013	Liabilities and Fund Balances	2014	2013
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 82,589	\$ 126,169	Accounts Payable & Other Liabilities	\$ 8,983	\$ 15,039
Operating Investment-Savings	70,036	70,015	Unearned Income General/Water/Etc.	3,243	677
Petty Cash (2 accounts)	600	600	Unearned Income Other	-	-
Reserves - General, Water & Marina	325,672	398,842	Unearned Income Marina Wait List	700	700
Special Reserves - S. Seawall & Berm	66,275	-	Due to General Reserve (Loan)	54,067	-
North Seawall Special Reserve	23,594	277,724	Total Current Liabilities	66,993	16,416
Total Cash & Equivalents	568,766	873,350	North Seawall Assessment Liability	-	293,928
Net Accounts Receivable	15,002	12,611	South Seawall Assessment Liability	-	-
Due from S. Seawall Reserve (Loan)	54,067	-			
SpclAssmnts Rcvbl(Berm, N&S Seawall	52,030	4,229	<b>FUND BALANCES:</b>		
Total Net Fixed Assets	1,857,208	1,490,874	Fund Balances (Combined)	1,926,417	1,931,394
Total Prepaid & Other Assets	27,502	30,120	Modified Cash Basis CY Income	581,165	169,446
<b>TOTAL ASSETS</b>	<b><u>\$2,574,575</u></b>	<b><u>\$2,411,184</u></b>	<b>Total Liabilities and Fund Balance</b>	<b><u>\$2,574,575</u></b>	<b><u>\$2,411,184</u></b>

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
NOVEMBER 13, 2014  
7:00 PM**

**Summary Revenue and Expense Statements for the periods ended October 31 (Modified Cash Basis)**

2014 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2014 YTD	2013 YTD	Variance	%
General Assessment	\$ 275,392	\$ 275,392	-	0%	General Assessment	\$ 275,392	\$ 264,852	\$ 10,540	4%
Revenue - All Other Sources	21,303	19,811	1,492	8%	Revenue - All Other Sources	21,303	38,352	(17,049)	-44%
Total General Revenue	296,695	295,203	1,492		Total General Revenue	296,695	303,204	(6,509)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	106,976	114,650	7,674	7%	Salaries, Benefits, PR Tax	106,976	105,003	(1,973)	-2%
Repairs & Maintenance	15,927	15,380	(547)	-4%	Repairs & Maintenance	15,927	27,351	11,424	42%
Contracted Services	39,604	44,840	5,236	12%	Contracted Services	39,604	38,823	(781)	-2%
Insurance	20,866	21,397	531	2%	Insurance	20,866	19,154	(1,712)	-9%
Pool expenses	21,604	19,930	(1,674)	-8%	Pool expenses	21,604	13,036	(8,568)	-66%
Other Expenses (incl taxes)	29,624	17,044	(12,580)	-74%	Other Expenses (incl taxes)	29,624	20,923	(8,701)	-42%
Total General Expenses	234,601	233,241	(1,360)		Total General Expenses	234,601	224,290	(10,311)	
<b>General Net Income</b>	<b>\$ 62,094</b>	<b>\$ 61,962</b>	<b>\$ 132</b>	0%	<b>General Net Income</b>	<b>\$ 62,094</b>	<b>\$ 78,914</b>	<b>\$ (16,820)</b>	-21%
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 182,610	\$ 182,880	\$ (270)	0%	Revenue - Water Use Fees	\$ 182,610	\$ 182,070	\$ 540	0%
Revenue - All Other Sources	3,643	2,000	1,643	82%	Revenue - All Other Sources	3,643	4,819	(1,176)	-24%
Total Water Revenue	186,253	184,880	1,373		Total Water Revenue	186,253	186,889	(636)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	48,173	51,790	3,617	7%	Salaries, Benefits, PR Tax	48,173	47,607	(566)	-1%
Repairs & Maintenance	11,870	5,040	(6,830)	-136%	Repairs & Maintenance	11,870	3,542	(8,328)	-235%
Contracted Services	13,092	11,301	(1,791)	-16%	Contracted Services	13,092	31,096	18,004	58%
Insurance	11,178	11,919	741	6%	Insurance	11,178	11,924	746	6%
Other Expenses (incl taxes)	27,243	31,213	3,970	13%	Other Expenses (incl taxes)	27,243	24,879	(2,364)	-10%
Total Water Expenses	111,556	111,263	(293)		Total Water Expenses	111,556	119,048	7,492	
<b>Water Net Income</b>	<b>\$ 74,697</b>	<b>\$ 73,617</b>	<b>\$ 1,080</b>	1%	<b>Water Net Income</b>	<b>\$ 74,697</b>	<b>\$ 67,841</b>	<b>\$ 6,856</b>	10%
<b>Marina</b>					<b>Marina</b>				
Revenue - Marina Moorage	\$ 45,278	\$ 44,662	\$ 616	0%	Revenue - Marina Moorage	\$ 45,278	\$ 42,916	\$ 2,362	0%
Revenue - All Other Sources	18,730	14,250	\$ 4,480	31%	Revenue - All Other Sources	18,730	14,446	4,284	30%
Total Marina Revenue	64,008	58,912	5,096		Total Marina Revenue	64,008	57,362	6,646	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	10,592	11,830	1,238	10%	Salaries, Benefits, PR Tax	10,592	7,942	(2,650)	-33%
Repairs & Maintenance	14,947	13,420	(1,527)	-11%	Repairs & Maintenance	14,947	13,261	1,764	-13%
Contracted Services	2,240	3,390	1,150	34%	Contracted Services	2,240	4,006	1,766	44%
Insurance	5,547	6,085	538	9%	Insurance	5,547	4,560	(987)	-22%
Other Expenses (incl taxes)	9,617	7,991	(1,626)	-20%	Other Expenses (incl taxes)	9,617	6,098	(3,519)	-58%
Total Marina Expenses	42,943	42,716	(227)		Total Marina Expenses	42,943	35,867	(3,626)	
<b>Marina Net Income</b>	<b>\$ 21,065</b>	<b>\$ 16,196</b>	<b>\$ 4,869</b>	30%	<b>Marina Net Income</b>	<b>\$ 21,065</b>	<b>\$ 21,495</b>	<b>\$ (430)</b>	-2%
Regular Reserve Interest	625	-	625		Regular Reserve Interest	625	-	625	
N&S Seawall Specials	369,725				N&S Seawall Specials	369,725			
Berm Special	52,960		52,960		Berm Special	52,960		52,960	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 581,165</b>	<b>\$ 151,774</b>	<b>\$ 59,666</b>	283%	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 581,165</b>	<b>\$ 168,249</b>	<b>\$ 43,191</b>	245%

\*\*Modified Cash Basis, Excludes Depreciation

KCK 01/16/14

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
NOVEMBER 13, 2014  
7:00 PM**

**Summary Revenue and Expense Statements for the periods ended October 31 (Modified Cash Basis)**

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\*\*Modified Cash Basis, Excludes Depreciation

KCK 01/16/14

**Manager's Report: Art Burke**

The process continues on obtaining a permit for the installation of a protective berm. We are currently working with a septic designer/engineer on correcting a part of the existing septic system that services the pool changing rooms and having this work properly permitted through Jefferson County Public Health. We are also working with an archaeologist to conduct a limited survey of the proposed berm site to satisfy a concern from the Washington State Department of Archaeology and Historic Preservation.



**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
NOVEMBER 13, 2014  
7:00 PM**

The recent stormy weather caused two separate incidents of large trees becoming damaged and partially falling down across community roads – one in the Colony and one in the Village. As a result, each tree was deemed to be unsafe and the remaining parts of the trees were removed.

The project to bury the overhead power line at the entrance to the south marina parking lot is currently underway and should be completed by the end of the week. The PUD was able to redesign the scope of the project so that the cost came in at \$2,452 instead of the original plan of \$4,700+. Donations from individuals, Marina Committee and Granny's Attic will be the sole source of funding for this project. Thanks to Harbormaster Mac McDonald for all of his work helping Donnie on the two day install of the project.

I assisted the Environmental Committee in fulfilling our obligation to the National Marine Fisheries Service to enhance near shore habitat by installing native plants in the vicinity of the north and south seawall. This project was required as a part of our Marina maintenance permit.

Final work on the development of the 2015 budget involved a review by community members Gail Krentzman and Barbara Barnhart coordinated by Treasurer Karen Krug. My thanks to this group for refining the documents and information in the final packet that went to the Trustees and community for their vote.

I assisted Gary Rossow in the final preparation of documents to Jefferson County to obtain a five year permit for Marina maintenance projects. In the past this permit has had to be renewed annually with the usual high level of frustration over determining what it is that they are asking. The community owes Gary a big thank you for all of his work at navigating through the governmental red-tape that is involved in getting this type of permit approved.

Projects being worked on by office staff include:

- Work continues on updating the electronic lock system. Older cards and fobs are beginning to work as the various code extensions are determined and programmed into the system.

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

- Complaint of exterior lights being left on all night in the Village and Colony.
- Hedge complaint in the Colony.
- Another dead seal pup was discovered in the Marina basin and Port Townsend Marine Science Center was contacted.

**Committee Reports:**

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

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
NOVEMBER 13, 2014  
7:00 PM**

**Information Items:**

- A. The Trustees have appointed John Hanks from the Marina Committee and Betty Hanks from the Environmental Committee as Co-Chairs of an Ad Hoc committee to develop a plan for a small park area in the vicinity of the north seawall. When a plan is completed it will be brought back to the Trustees for approval.
- B. Trustees Hinojos, Habegger and Krug met with the manager and conducted site visits at 8 active hedge complaints. At the conclusion, three sites were identified as clear violations and notification will be sent out to those members with hedges over the height restriction. The remaining five complaints are still being evaluated for action.

**Member Participation:**

There was no member participation

**New Business Action Items:**

**Motion 1:** Richard Hilfer moved and Karen Krug seconded to approve the redraft of CP03 Marina Usage as provided and developed during the meeting. Passed 6/0

**Motion 2:** Karen Krug moved and Katie Habegger seconded that based on the existing Marina Usage Rule (CP03) dated June 12, 2014, written material supplied by Mr. G. Nelson dated November 10, 2014 and discussion of that material at the November 11, 2014 Study Session, that the Board **reject the request** of the Harbormaster to not renew 2015 moorage for the boat "Cerilia." Passed 6/0

**Motion 3:** Karen Krug moved and Michael Hinojos seconded that the Board renew the two flood insurance policies, one for the Clubhouse and one for the Workshop, at the current rates, \$2168 and \$816 respectively and with the current coverage levels and deductibles as detailed in the quotes from Selective Flood dated October 07, 2014. Passed 6/0

**Motion 4:** Karen Krug moved and Leslie Fellner seconded that it be the position of the Board that given Cape George Colony Club bylaw provisions, Article VI(A)(3)(d) and Article VIII(4) approved by majority Member vote, the current absence of a formal reserve assessment and the memo from Treasurer K. Krug dated November 6, 2014, that the net income amount available for potential reserve deposits as shown in budget documents is variable and not a fixed minimum contribution. Passed 6/0

**Motion 5:** Katie Habegger moved and Leslie Fellner seconded to approve Resolution No. 11-01-14 to transfer \$35.12 from Marina Reserves to General Checking account for the Marina dock replacement project, Tacoma Screw \$35.12. Passed 6/0

**Motion 6:** Leslie Fellner moved and Ray Pierson seconded to approve five member requests for due date adjustments. Passed 6/0

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
NOVEMBER 13, 2014  
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**Open Board Discussion:**

An update was requested regarding the status of the MOU with the Fire Department boat to be placed in the marina. A response to a member who requested a written response will be drafted by the president. Counting of the ballots will occur on the morning of December 11th.

**Announcements:**

- A. Study Session – December 9, 3:00 p.m.
- B. Board Meeting -- December 11, 7:00 p.m.

**Motion 7:** Carol Wood moved and Ray Pierson seconded to adjourn to Executive Session at 8:20 p.m. Passed 6/0

**Motion 8:** Karen Krug moved and Michael Hinojos seconded to adjourn the Executive Session and return to regular session at 8:45 p.m. Passed 6/0

**Motion 9:** Carol Wood moved and Karen Krug seconded that the Board, upon consideration of the opinion dated 10/9/2014 issued by Richard L. Shaneyfelt, Attorney at Law, regarding a member owning two lots and putting one of those lots into trust, authorize the election committee to allow the member one vote and to allow the Trustee one vote in such circumstances. Passed 5/0/1 abstention.

**Adjournment:** Leslie Fellner moved and Michael Hinojos seconded to adjourn the regular session at 8:46 p.m. Passed 6/0

**Submitted by:**

**Approved by:**

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**Carol Wood, Secretary**

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**Richard Hilfer, President**

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
NOVEMBER 13, 2014  
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**COMMITTEE REPORTS**

**BUILDING COMMITTEE  
October 27, 2014**

*Building I Permits Issued:*

Jeff Jackman: 132 Alder Dr, Village, build a carport

*Earthworks Permits Issued:*

Jeff Jackman: 132 Alder Dr, Village, excavate & install anchor system for carport

Penny Payne Bridgman: 101 Ridge Dr, Village, replace septic tank

**ENVIRONMENTAL COMMITTEE  
Monday Nov. 10, 2014**

**IN ATTENDANCE:** Art Burke, , Gretchen Cooper, Sue Dunning, Dennis Fellner, Betty Hanks, John Hanks, Katie Habegger, Norma Lupkes, Kitty Rucker, Robin Scherting

The meeting was called to order at 9:17 a.m. by Kitty. The October minutes were approved as read. A change was approved to the Sept. minutes pertaining to extra drinks at the Vinalia Feast to be listed as a donation rather than a sale.

**FISCAL REPORT:** Total: \$3165.71 after various expenses. Breakdown: \$1,880.71 - EC Treasury & \$2106.64 - for the Beach/Berm project.

**OLD BUSINESS:**

**A. Beach/Berm Report** – Art reported that we still have two obstacles to the go-ahead on the project. First is the State Historic Preservation & Archeology Agency concerning the disturbance to the shoreline area during berm construction. Art is working with a local archeologist who is now doing an abbreviated survey of the area and will be filing reports when he has some conclusions. The second area of concern is from the Jefferson County Health Dept. concerning an old septic tank located near the pool area. Cape George has been directed to bring it up to current standards and is now working with a septic tank designer/engineer to find the most efficient solution to meet the counties requirements for our system.

**B. Roman Vinalia Feast** – The October EC Fundraiser/Newcomer Dinner was held on October 11 and was well attended and very successful. The total raised for future Environmental projects from the entry fees, auction, and raffle was \$971.. An Italian Quiz was well received and will be an item on the agenda for next years function. The determination was made to replace the Live Auction with a Silent Auction next year.

**C. North Seawall** – On Monday Oct. 27 at 10:00 48 near-shore habitat placement plants were planted by seven members of the committee. A project plan for the new park at the north seawall will be

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
NOVEMBER 13, 2014  
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submitted for approval by the Board of Trustees by John Hanks representing the Marina Committee. Kitty and Betty will be representatives from the Environmental Committee to work with them as needed. Suggestions for a name for the park were solicited from the membership and a Kitty has compiled a list which will be submitted to the Marina Committee.

**E. Boiler Room Collection** – The Boiler Room was selected as the Service Project last month and items on the “Wish List” were collected from committee members. It was suggested that those who choose to do so will continue to bring items in monthly. Robin will deliver the current collection to them tomorrow.

**NEW BUSINESS:**

- A. Septic Tank Lecture** – Gretchen asked that a couple of dates preferably in March, 2015 on a Saturday morning be selected for this event.
- B. Monthly Nature Movies** – Lorna and Darrell Smith, CG residents and members of the Western Wildlife Outreach organization has sent a proposal to the EC to show monthly **Nature** movies at the clubhouse. A motion was made to support this effort with snacks to be determined. Kitty will contact them to begin the process.
- C.** In Kitty’s absence there will be no EC meetings in Jan. & Feb. of 2015. Gretchen and Robin will be the emergency contacts if a need should arise. In Norma’s absence in Mar. and Apr. Katy volunteered to take the meeting minutes.

**ADJOURNMENT:** The meeting was adjourned at 10:20.

**MARINA COMMITTEE  
November 4, 2014**

Attendees:

Art Burke, Ray Pierson, Ken Owen, Stan Kropf, John Hanks, Dick Poole, Bob , Mac McDonald, Scott James, Brian Ritchie, Ben Fellows

1. Meeting called to order by Penny Jensen, Chair
2. Financial Report – The Budget was complete and submitted to Members for approval. The balance in the Memorial Fund is \$2308.74
3. Information Items:
  - a. Awaiting Member response to CPO3 revisions.
  - b. Piling caps status – some shortened and rot removed, filled with cement and sealed
  - c. Float installation season is over – weather and available staff cited as reasons
4. Old Business
  - a. Power line burial work to begin shortly. Wonderful news!!! After meeting with the PUD prior to the meeting, the PUD can bury the lines for approximately \$2400 and NOT \$4700! Ben suggested we use donation dollars first \$1300 then some dollars from Granny's Attic and the Marina Operating Dollars...We will have more discussion re how to fund this project as final quote arrives from the PUD.

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b. Please be sure email addresses/contact info is correct for all Marina tenants, Recently 2 sailboats had sails shredded from high winds. It was also noted that some vessels were not securely tied to the docks, lines frayed, or old wood cleats not holding. Please check all of these as our winter storms have begun.

**5. New Business**

We are going to recommend that a recent vessel moored in our Marina be non-renewed for 2015. The vessel weighs 38,000 lbs. and has caused some structural damage to the dock.

**WATER ADVISORY COMMITTEE  
November 4, 2014**

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

1. Greg has recovered from successful hip surgery and is back on the job.
2. The ballot for the 2015 budget has been mailed. In addition to the operating and capital budgets, it includes a proposal for additional funding for all of the reserves with a pro rata share to the water reserves. This would begin to fund future water main replacement in addition to the other water facilities. No increase in water rates and fees.
3. As discussed at the last meeting, Scott has worked with Michael Heckinger and West Coast Waterjet to develop a proposal for a sign for the dedication of the water facilities in memory of Ed Skowyr. The proposal is for a stainless steel oval sign, 4' long by 2' high, with the name cut into the steel by the water jet. The sign would then be installed on the painted brown wall of the treatment building. Art showed the sign proposal to Helen Ann who approved. Michael is donating the sign so Larry will write a thank you letter for his contribution. We gave Scott the ok to authorize West Coast Waterjet to proceed with making the sign.

After the sign is installed, we will schedule a dedication ceremony at the water facilities site followed by a reception at the club house. Art said that the Memorial Committee is aware and will work with Helen Ann for the reception. We'll issue wide notice of the events for the community.

4. Backflow / Cross Connection Control Program – As noted above, Greg had hip surgery on Sept 30 and has just gotten back into shape for making inspections. Larry and Greg will be making calls to follow up on the questionnaires and schedule inspections. Sharon has been contacting those on the 'no reply' list and has essentially gotten them all done. (I called and she only has 3 left to complete!)
5. Water rights – Bob Leach prepared the final information that was requested by DOE and Bill Clarke has forwarded it. Now we just wait for DOE's final approval.
6. Galvanized pipe – Greg will work with Donnie to locate a couple sites where we can cut out a section of the galvanized pipe for inspection to see how much corrosion is present. It may be similar to the

**CAPE GEORGE COLONY CLUB  
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cut outs in the asbestos pipe where we could install a valve. That will help us plan for future replacement.

7. Highland Booster Pump House – all work has been completed. There has been some problem with the auto-dialer on that system. There was a power outage last Friday night which requires someone to go and start the generator when called by the auto-dialer. Greg will work with Donnie to see if they can get it operating correctly or we might need to replace it with new technology. That could cost a couple thousand so we would also need to look at the budget and approval process if necessary.

Stew has a table-top mockup of the PLC for the booster pumps for Greg to check out and confirm the programming. Once it's ok, we would need to order the components and have it installed. Again, that's a cost item that will need to go through the approval process.

8. As discussed last meeting, Donnie routinely runs the generator to make sure it's ready for power outages/emergencies. Both Scott and Stew agreed that we would have enough diesel fuel available in case of an extended power outage or emergency. Greg's concern is that it will run under full load for an extended period. At Port Ludlow, they are having Cummins come out and test run their generators under full load and suggests that we should also. Perhaps it could be coordinated with a Port Ludlow test because they come from the Seattle area. It costs around \$1,500 for them to test it so that's another budget/expense item to consider.

The next meeting will be on **December 2, 2014 at 5 pm at the Office.**

CAPE GEORGE COLONY CLUB  
SPECIAL MEMBERSHIP MEETING  
DECEMBER 9, 2014  
2:45 PM

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

- A. Welcome
- B. Ballots for the Budget Election will be accepted until 3:00 p.m.

**In Attendance:** Richard Hilfer, Ray Pierson, Karen Krug, Carol Wood, Katie Habegger and Michael Hinojos

**Announcements:**

- A. December 11, 2014 – Regular Board Meeting 7:00 P.M. – Election Results will be announced

**Adjournment:**

Karen Krug moved and Michael Hinojos seconded to adjourn the meeting at 3:00 p.m. Passed 5/0

**Submitted by:**

**Approved by:**

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**Carol Wood, Secretary**

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**Richard Hilfer, President**



CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
DECEMBER 11, 2014  
7:00 PM

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

- A. Welcome
- B. Election results – All items were approved

Ballots received	305
Valid Ballots	295
Invalid Ballots	10

**Voting Results**

	Approve	Disapprove
a. 2015 Budget	249	42
b. IRS Resolution	259	31
c. Annual Reserve Assessment	200	95
d. Building Property Regulations – decks	238	56

**In Attendance:** Richard Hilfer, Ray Pierson, Carol Wood, Karen Krug, Michael Hinojos, Katie Habegger

**Membership Report -- Carol Wood**

- Sun Coast Mortgage took title to 111 Alder Drive from Dawn Hildebrand
- Martin Gilmore & Marta Krissovich purchased 151 Sunset Blvd from Juanita Frederickson
- Bank of America took title to 230 S Rhododendron from the Estate of Arthur Luck
- Jeff Behrens was deeded Lot 32-3 Spruce Drive by David Clark (Transfer in 2013, Cape George wasn't notified)

**Treasurer's Report -- Karen Krug**

**TREASURER'S REPORT  
As of November 30, 2014**

**2014 Balance Sheet:**

Cash accounts are detailed on the following page. All bank account statements have been reviewed and all accounts reconciled as of November 30, 2014 and no cash accounts were opened or closed during the month.

In October, a \$16,000 deposit was made to the wrong bank account. The error was discovered during reconciliation of the bank account and was corrected on 11/05/14.

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It is expected that an additional \$6,700 will be recognized as uncollectible for 2014 with that amount split between general assessments, fines and fees, water fees, South seawall special and Berm assessment. More aggressive collection practices are being implemented and will be operationalized during January and February 2015.

**2014 Income Statement comments:**

Highly condensed operating summaries are included on the following page. Operations in November produced no atypical or unexpected results.

Bad debt expense will be recognized in December as will adjustments for unused vacation. Both will decrease bottom line performance but both were anticipated during budgeting. Given recent cold weather, higher than anticipated utility bills are also likely to have a negative impact year end results as will any unplanned expenses associated with December's storms.

**General Operations:**

Through November performance is slightly better than budget but year end adjustments will likely see that favorable performance turn slightly unfavorable.

**Water Operations:**

As with general operations, year-to-date performance is slightly better than budget but it is anticipated this will not hold through December adjustments.

**Marina Operations:**

Marina operations are performing significantly more favorable than budgeted through the end of November and it is expected that even with year end adjustments performance will be more favorable than originally anticipated.

<b>CAPE GEORGE COLONY CLUB</b>					
<b>Balance Sheet as of November 30, 2014 and 2013</b>					
<b>Assets</b>	<b>2014</b>	<b>2013</b>	<b>Liabilities and Fund Balances</b>	<b>2014</b>	<b>2013</b>
Cash and Cash Equivalents:			Current Liabilities:		
Operating Fund Checking	\$ 64,707	\$ 92,382	Accounts Payable & Other Liabilities	\$ 8,740	\$ 11,583
Operating Investment-Savings	70,038	70,017	Unearned Income General/Water/Etc.	902	660
Petty Cash (2 accounts)	600	600	Unearned Income Other	-	-
Reserves - General, Water & Marina	325,680	398,740	Unearned Income Marina Wait List	700	800
Special Reserves - S. Seawall & Berm	57,752	-	Due to General Reserve (Loan)	54,067	-
North Seawall Special Reserve	23,598	278,594	Total Current Liabilities	64,409	13,043
Total Cash & Equivalents	542,375	840,333			
			North Seawall Assessment Liability	-	293,928
Net Accounts Receivable	11,445	9,225	South Seawall Assessment Liability	-	-
Due from S. Seawall Reserve (Loan)	54,067	-			
SpclAssmnts Rcvbl(Berm, N&S Seawall	48,842	3,053	<b>FUND BALANCES:</b>		
Total Net Fixed Assets	1,857,208	1,493,176	Fund Balances (Combined)	1,926,417	1,931,394
Total Prepaid & Other Assets	27,115	26,719	Modified Cash Basis CY Income*	550,226	134,141
<b>TOTAL ASSETS</b>	<b>\$2,541,052</b>	<b>\$2,372,506</b>	<b>Total Liabilities and Fund Balance</b>	<b>\$2,541,052</b>	<b>\$2,372,506</b>

\* All North, Seawall, South Seawall and Berm special assessment income recognized in 2014; total \$422,685. Comparative income would = \$127,541.

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**Summary Revenue and Expense Statements for the periods ended November 30 (Modified Cash Basis)**

2014 Year to Date					COMPARATIVE				
	Actual	Budget	Variance	%		2014 YTD	2013 YTD	Variance	%
General Assessment	\$ 275,392	\$ 275,392	-	0%	General Assessment	\$ 275,392	\$ 264,852	\$ 10,540	4%
Revenue - All Other Sources	22,553	20,922	1,631	8%	Revenue - All Other Sources	22,553	39,835	(17,282)	-43%
Total General Revenue	297,945	296,314	1,631		Total General Revenue	297,945	304,687	(6,742)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	117,268	126,113	8,845	7%	Salaries, Benefits, PR Tax	117,268	115,064	(2,204)	-2%
Repairs & Maintenance	18,238	16,762	(1,476)	-9%	Repairs & Maintenance	18,238	29,201	10,963	38%
Contracted Services	41,694	48,151	6,457	13%	Contracted Services	41,694	40,490	(1,204)	-3%
Insurance	23,561	23,466	(95)	0%	Insurance	23,561	21,384	(2,177)	-10%
Pool expenses	23,463	23,213	(250)	-1%	Pool expenses	23,463	15,463	(8,000)	-52%
Other Expenses (incl taxes)	30,695	18,825	(11,870)	-63%	Other Expenses (incl taxes)	30,695	28,892	(1,803)	-6%
Total General Expenses	254,919	256,530	1,611		Total General Expenses	254,919	250,494	(4,425)	
<b>General Net Income</b>	<b>\$ 43,026</b>	<b>\$ 39,784</b>	<b>\$ 3,242</b>	<b>8%</b>	<b>General Net Income</b>	<b>\$ 43,026</b>	<b>\$ 54,193</b>	<b>\$ (11,167)</b>	<b>-21%</b>
<b>Water</b>					<b>Water</b>				
Revenue - Water Use Fees	\$ 182,610	\$ 182,880	\$ (270)	0%	Revenue - Water Use Fees	\$ 182,610	\$ 182,190	\$ 420	0%
Revenue - All Other Sources	3,643	2,000	1,643	82%	Revenue - All Other Sources	3,643	5,789	(2,146)	-37%
Total Water Revenue	186,253	184,880	1,373		Total Water Revenue	186,253	187,979	(1,726)	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	52,867	56,969	4,102	7%	Salaries, Benefits, PR Tax	52,867	52,457	(410)	-1%
Repairs & Maintenance	11,870	5,307	(6,563)	-124%	Repairs & Maintenance	11,870	3,542	(8,328)	-235%
Contracted Services	14,067	12,306	(1,761)	-14%	Contracted Services	14,067	33,806	19,739	58%
Insurance	12,586	13,099	513	4%	Insurance	12,586	13,302	716	5%
Other Expenses (incl taxes)	28,212	32,683	4,471	14%	Other Expenses (incl taxes)	28,212	26,111	(2,101)	-8%
Total Water Expenses	119,602	120,364	762		Total Water Expenses	119,602	129,218	9,616	
<b>Water Net Income</b>	<b>\$ 66,651</b>	<b>\$ 64,516</b>	<b>\$ 2,135</b>	<b>3%</b>	<b>Water Net Income</b>	<b>\$ 66,651</b>	<b>\$ 58,761</b>	<b>\$ 7,890</b>	<b>13%</b>
<b>Marina</b>					<b>Marina</b>				
Revenue - Marina Moorage	\$ 45,278	\$ 44,662	\$ 616	0%	Revenue - Marina Moorage	\$ 45,278	\$ 43,387	\$ 1,891	0%
Revenue - All Other Sources	18,911	14,291	\$ 4,620	32%	Revenue - All Other Sources	18,911	14,561	4,350	30%
Total Marina Revenue	64,189	58,953	5,236		Total Marina Revenue	64,189	57,948	6,241	
Expenses:					Expenses:				
Salaries, Benefits, PR Tax	11,685	13,013	1,328	10%	Salaries, Benefits, PR Tax	11,685	8,786	(2,899)	-33%
Repairs & Maintenance	14,947	13,423	(1,524)	-11%	Repairs & Maintenance	14,947	13,261	1,764	-13%
Contracted Services	3,935	3,651	(284)	-8%	Contracted Services	3,935	4,093	158	4%
Insurance	6,399	6,675	276	4%	Insurance	6,399	5,322	(1,077)	-20%
Other Expenses (incl taxes)	10,028	8,662	(1,366)	-16%	Other Expenses (incl taxes)	10,028	6,511	(3,517)	-54%
Total Marina Expenses	46,994	45,424	(1,570)		Total Marina Expenses	46,994	37,973	(5,571)	
<b>Marina Net Income</b>	<b>\$ 17,195</b>	<b>\$ 13,529</b>	<b>\$ 3,666</b>	<b>27%</b>	<b>Marina Net Income</b>	<b>\$ 17,195</b>	<b>\$ 19,975</b>	<b>\$ (2,780)</b>	<b>-14%</b>
Reserve Interest	725	-	725		Regular Reserve Interest	725	1,213	(488)	
N&S Seawall Specials	369,725		369,725		N&S Seawall Specials	369,725		369,725	
Berm Special	52,960		52,960		Berm Special	52,960	-	52,960	
<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 550,281</b>	<b>\$ 117,828</b>	<b>\$ 62,728</b>	<b>367%</b>	<b>Cmbnd Net Income/(Loss)**</b>	<b>\$ 550,281</b>	<b>\$ 134,141</b>	<b>\$ 46,415</b>	<b>310%</b>

\*\*Modified Cash Basis, Excludes Depreciation

KCK 01/16/14

\* All North, Sewall, South Seawall and Berm special assessment income recognized in 2014; total \$422,685. Comparative income would = \$127,541.

## Manager's Report -- Art Burke

I have contacted East Jefferson Fire Rescue regarding an update on when we might expect to see the rescue boat Volunteer on station at Cape George and haven't received a reply yet.

The process continues on obtaining a permit for the installation of a protective berm. At this time we are waiting on the following:

- Our archaeologist to complete a 12 probe sample of the berm site and completion of reports for submittal to WA State Dept. of Archaeology and Historic Preservation.

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- Our septic engineer to complete the design and associated permit to satisfy Jefferson County Health's requirements.

A huge THANK YOU to everyone involved in sandbagging the shoreline on Thanksgiving weekend when we had a high tide and storm driven wave event. It was a miserable day to be doing that kind of work but about 50 of you answered the "Call for Assistance". We are thankful for a caring community.

Work has been completed on burying the overhead power line at the entrance to the south Marina parking area. In addition to burying the cable, the arms to the lights along the driveway leading back to the south Marina parking area have been positioned parallel to the road further clearing this area of overhead obstructions.

The Tank Farm generator received its annual oil change and inspection.

I attended the public hearing regarding the draft noise ordinance being reviewed by the Jefferson County Commissioners.

Preliminary work is already underway in preparing for the 2014 audit by Cagianut & Co.

Projects being worked on by the Caretaker:

- Replacement of a multiport valve at the pool.
- Roadside drainage issues throughout the community.
- Repair of a chlorine feed line at the Tank Farm.
- Winterization of water lines.

Projects being worked on by office staff include:

- Work has been completed on updating the electronic lock system. Older cards and fobs should once again be working normally and we are going to be deactivating the four digit code in about one week.

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

- Hedge complaint in the Colony and Village.

### **Committee Reports**

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

### **Information Items**

- A. The Trustees received an update from Marina Committee Chair Penny Jensen concerning the steps being taken to replace the Harbormaster. Until filled, Thad Bickling and Ross Anderson will be working with the Chair on covering responsibilities in the

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Marina. The Trustees requested that an update be provided at the January Study Session.

- B. The Trustees received an update from the Manager concerning hedge violations. Of the current 8 complaints, 3 have been issued violations and were in the process of being resolved. The remaining 5 were being further evaluated for action. The Trustees requested a progress report be provided at the January Study Session.

**Member Participation**

Braden Coupe requested permission use the pool to test ROV's as a part of his high school class' project. They used the pool last year for the project. Cape George Members will be present. The Board President instructed the staff to complete the pool and clubhouse reservation process including obtaining a certificate of insurance from the school.

**New Business Action Items**

**Motion 1:** Katie Habegger moved and Michael Hinojos seconded to recognize the donation of four chairs from the Social Club for use in the Clubhouse with a value of \$414.16. Passed 5/0

**Motion 2:** Karen Krug moved and Michael Hinojos seconded that, based on the Treasurer's memo of December 4, 2014 and discussions at the December 9, 2014 study session the board approve the following initial minimum transfer to the respective reserves: General - \$10,350; Water - \$49,285; Marina \$15,575, Passed 5.0

**Motion 3:** Karen Krug moved and Carol Wood seconded that based on discussions at the December 9, 2014 study session, that \$23,598, plus any accrued minor interest in December 2014, be transferred from the North Seawall special reserve account to general checking as reimbursement for the North Seawall Member refund and associated refund costs. Passed 5/0

**Motion 4:** Karen Krug moved and Katie Habegger seconded that based on discussions at the December 9, 2014 study session, a loan payment of \$4,064, split appropriately between principal and interest, be made from the South Seawall special reserve account to the General Reserve account. Passed 5/0

**Motion 5:** Karen Krug moved and Carol Wood seconded that to satisfy the requirements of FIN08 and based on the Treasurer's memo of December 4, 2014 and discussions at the December 9, 2014 study session, the board approve the 2014 asset additions and deletions. Passed 5/0

**Motion 6:** Karen Krug moved and Michael Hinojos seconded to satisfy the requirements of FIN08 and based on the Treasurer's memo of December 4, 2014 and discussions at the December 9, 2014 study session the board approve the 2014 adjustments to the bad debt

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allowance. Passed 5/0

**Motion 7:** Karen Krug moved and Katie Habegger seconded that to satisfy the requirements of FIN08 and based on the Treasurer's memo of December 4, 2014 and discussions at the December 9, 2014 study session the board approve the 2014 expenditures from the respective reserve and special assessment accounts. Passed 5/0

**Motion 8:** Michael Hinojos moved and Ray Pierson seconded that the following year end net bonuses be granted to employees. Part-time employees who are not eligible for any benefits to receive net of \$150.00 each and full-time employees who are eligible for benefits will receive a net of \$100.00 each. Passed 5/0

**Motion 9:** Katie Habegger moved and Michael Hinojos seconded to approve one member request for due date adjustment. Passed 5/0

**Motion 10:** Karen Krug moved and Michael Hinojos seconded to transfer \$2987 from the Berm Special Assessment fund to operations checking to reimburse checking for the cost of obtaining the Jefferson County Berm Permit. Passed 5/0

**Open Board Discussion**

The Board thanked the 8 volunteers and Mercy Del Valle for processing the election ballot results.

**Announcements:**

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

**Adjournment:**

Karen Krug moved and Michael Hinojos seconded to adjourn the meeting at 7:35 p.m. Passed 5/0

Submitted by:

Approved by:

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Carol Wood, Secretary

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Richard Hilfer, President

**COMMITTEE MINUTES**

**Building Committee**

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
DECEMBER 11, 2014  
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**December 5, 2014**

*Building Permits Issued:*

Marc Horton, 212 S Rhododendron Dr, Colony - build a shed

**Marina Committee Meeting,  
December 2, 2014**

Attendees: Cape George Manager Art Burke, Marina Committee Chair Penny Jensen, Marina Committee: John Hanks, Paul Happel, Jack Scherting, Thad Bickling, Marta Favati, Bob Schlentner, Scott James, Ray Pierson, Craig Muma, Ross Anderson, Ken Owen, Brian Ritchie, and Richard Woodcock.

**THANK YOU CAPE GEORGE VOLUNTEERS FOR FILLING AND PLACING SAND BAGS DURING A HIGH TIDE  
EVENT, TO PROTECT THE CLUB HOUSE AND THE MARINA SHOP.**

The meeting was called to order at 11:00 by Penny Jensen, Marina Chair.

Funding to bury the overhead Electric Power Cable at the south end of the marina will come primarily from pledges from sailboat owners. Burying the overhead power cable will allow sailboats to transit to the parking area without having to lower their masts. John Hanks has offered to provide help and tips on tying up boats to marina slips. Hardware has been ordered and cleats are available to change out the old wooden cleats in the marina, contact Paul Happel for assistance. The water has been turned off at the marina due to winter weather. Some new metal structural parts will be purchased to strengthen the docks. Penny Jensen is working on a contact list so marina users can be contacted if there is a problem with moorage at the marina. Craig Muma will assist Penny in putting together a drawing for slip users in the Marina. Lee Jensen is doing a weekly check in the marina for items that need attention. Marina volunteers will be working to salvage and take apart the Weir boat as a public service for one of our boaters who is in ill health. A public notice has been placed in the marina area for the proposed 5 year Jefferson County permit to maintain the marina. A Jefferson County employee may be in the area reviewing needed actions for the permit. Art Burke noted some residents suggested the need for a night watchman at the marina and clubhouse area. No action was taken on the suggestion and the marina committee will review this again at the January meeting. Cards and Fobs were discussed. Marina pilings will be inspected in February. Penny Jensen, Ross Anderson and Thad Bickling will act as a committee to manage the Marina until a new harbor master is appointed by the Board. The Cape George Office Manager will send out the annual moorage letter, an appeal for volunteers and harbor manager next week. Security cameras motion sensors and key pads were discussed. Meeting adjourned at 12:05 am.

**Pool Committee  
November 5, 2014**

**ATTENDEES:**

**CAPE GEORGE COLONY CLUB  
BOARD OF TRUSTEES MEETING  
DECEMBER 11, 2014  
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Art Burke, Bruce Candioto, Rocky D'Acquisto, Leslie Fellner, Norma Lupkes, Robin Scherting

**NOTES:**

Rocky will order a 2'x2' hours and activities sign for inside the pool with the location yet to be determined.

The hot water recirculation system for the men's shower running flex piping with a timer to the main water heater has been put on the maintenance winter schedule.

The current situation with the pool HVAC/humidity project was discussed and Art reported that the project did not make it through the Board of Trustees budget process and as directed by the board will be tabled until 2016.

Bruce presented an idea for consideration of an on-site (clubhouse/ marina area) caretaker in an RV for security reasons. He will again pursue the concept with the Marina, Fitness, Social and Pool Committees before presenting to the Board.

The Pool Committee will again host/sponsor the St Pat's event in March. The suggestion has been made to hold a "Baked Potato Bar" with salad and dessert and a silent auction with details to be worked out in the next few meetings.

There will not be a scheduled meeting in Dec. with the next being in Jan. 2015. Art will make contact with Committee members if there is an emergent need for a meeting.

**WATER ADVISORY COMMITTEE  
DECEMBER 2, 2014**

The meeting was held at 5:00 pm at the Office. The following attended: Art Burke, Manager; Greg Rae, Water Manager; Larry Southwick, Committee Chair; members Scott James and Thad Bickling.

1. We have the sign for the Ed Skowrya Memorial Water Facilities; it looks great. We discussed getting it mounted on the wall of the building facing the street. Art will have Donnie install it soon and then call Helen Ann to see if she has any preference regarding a dedication ceremony and reception. We could do it soon or postpone it until after the holidays. We would invite Richard to conduct the dedication and allow for others to speak, then adjourn to the Clubhouse for a reception, coordinated with the Hospitality/Memorial Committee. The whole community will be invited. Thanks to Scott for coordinating the design, fabrication and picking up the sign.
2. Backflow / Cross Connection Control Program – Greg is scheduling inspections this week and Larry will make calls to schedule for Saturday, Dec 13. Then we'll hold off until after the holidays. We'll send out notices for the required inspections by outside testers when we have all of the initial inspections completed and a full list of the homes requiring testing.



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3. Water rights – Nothing new. Art checks in with Bill Clarke on a monthly basis and he, in turn, contacts DOE to check on our status. We're in their processing queue.
4. Galvanized pipe – Donnie has located a place for cutting out a piece of 2" galvanized pipe near the corner of Sunset and Cape George Drive where the pipe goes down to the Marina. Greg has some fittings to repair the cut out section. His concern, from experience at Port Ludlow, is that the outside of the pipe may be corroded which presents a problem for getting a tight seal of the repair fittings on the pipe. Greg will schedule the cut out with Donnie.
5. Highland Booster Pump House – nothing new on the PLC because Stew wasn't present but bench testing needs to be coordinated with Greg. Art reported that the auto-dialer at the facilities was fixed and the call list reprogrammed so it's working properly. While working on it, they found a problem with the main power circuit breaker box. It's old and corroded from being in the chlorine environment there. They had DD Electric repair the circuit breaker but the entire cabinet and panel will need to be replaced. Art is getting a price quote and will take it to the Board for approval from the reserve account.
6. Art reported that the generator has been serviced and the battery replaced. Greg said that we'll postpone the full load test until next spring when he can coordinate it with testing at Port Ludlow to get a better price for us.

The next meeting will be on **January 6, 2014** at 5 pm at the Office. **HAPPY NEW YEAR!**

**CAPE GEORGE COLONY CLUB  
EMERGENCY BOARD OF TRUSTEES MEETING  
DECEMBER 17, 2014  
9:00 A.M.**

President Richard Hilfer called the meeting to order at 9:00 a.m.

- A. Welcome
- B. This meeting is being held to consider a member's appeal of a complaint resolution

**In Attendance:** Richard Hilfer, Karen Krug, Ray Pierson, Michael Hinojos and Katie Habegger

**Motion 1:** Richard Hilfer moved and Karen Krug seconded to approve the Manager's resolution of a hedge complaint. Passed 4/0

**Adjournment:** Michael Hinojos moved and Ray Pierson seconded to adjourn the Emergency Board Meeting at 9:20. Passed 4/0

**Submitted by:**

**Approved by:**

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**Ray Pierson, Vice President**

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**Richard Hilfer, President**