

The meeting was called to order at 4:05 pm by Doug Allen,

Attendees: Doug Allen, Russ Tanner, Mike Williams, Ed Caudill, Jennifer Landon (Kallas) & Eva Hill (Still Water Planning) *Steve Muretta joined us via telephone.*

December Meeting minutes were approved as amended.

Guest Presentation:

Eva Hill gave us a report outlining the feasibility for a LOSS system. This report will be posted on our web site. Eva stated that her study was outlined with the thought that this can be presented to a land use attorney. In general she stated that she could not find any mitigating issues that should prevent us going forward with a LOSS system. Eva said she discussed this issue with Richard Benson at the State of Washington. He said he ran it by a few people and said he foresaw no immediate problems with us proceeding. She also discussed our plan with Ron Howard at the County and he likewise said he sees no problem with us going forward.

A general discussion followed and it was generally agreed that we are on the right track and could proceed without any severe obstacles. It was decided we will not approach the city at this time regarding any negotiations until we are pretty sure we are able to proceed with this project. The initial projection is that this will cost \$1.1 to \$1.3 million dollars. Land cost for the 15 acres will be approximately \$400,000 but Russ advised when we are ready to move he will get a professional appraisal.

We asked Eva what she suggested be our next step and she recommended that we proceed to have David Jensen do a soils analysis and prepare preliminary documents required by the DOH. The cost will be \$3,500. It was moved and approved that we go ahead with this analysis. Eva said she will find out how long it will take him to accomplish this task. During the discussion, Doug Allen said it may be worth our time to investigate any available funds from the USDA as they have been known to help finance such projects.

Financial Review:

The financials for the end of the year were discussed and it was generally agreed they were in order. The budget was discussed and everybody agreed that it looked good and if any changes need to be made down the line, we can adjust at that time. Mike Hondorp's e-mail comments regarding the transfer of the \$80,000 were discussed and it was felt that the money has been properly allocated so as to have access when needed. Jennifer noted that she contacted Debbie Rench regarding the delinquencies, and Debbie said she has not heard back from our attorney.

A lengthy discussion ensued about recovering the As Built deposits. Doug said his discussion with our attorney resulted in him recommending that we change our policy on fees and procedures (Canterwood Step System Fees and procedures 9/8/2008). Accordingly Doug recommended the following be inserted to item # 7: "If the As Built has not been received within the period specified above, the deposit will be forfeited and

become part of the step general fund". The amendment was approved and passed. The attorney advised that once this is accomplished, we can proceed to recover the deposits. (approximately \$28,000).

The status on the excise tax continues to be unclear. Ed Caudill said he has contacts at the State Department of Revenue and will contact them to see what position they can render us regarding our continuing to pay this tax.

Final financial discussion was on billing method. The Board discussed and decided to change the billing method starting in February for bi-monthly assessments to agree to the STEP's 2012 budget that was adopted in December 2011.

Operations:

Russ updated us on how we are proceeding with purchasing a Mag Meter, and he said he has contacted Peninsula Light and they will get back to him on how we can proceed to secure power for the system.

Steve requested a revised list of the water use by the Canterwood Step members. Russ will forward this to him shortly.

Ed Caudill said Debbie had some questions about the D&O insurance and Doug said he would contact her.

Organization:

New Business: none

Adjourned: The meeting was adjourned at 5:45 pm

The next meeting will be March 2nd at 10:00AM