

Canterwood STEP Association Regular Board Minutes

April 25, 2013

President. Allen called the meeting to order at 3:15 PM.

Attendees were Directors Allen, Horndorp, Weiss, and Williams. Also present were Mr. Russell Tanner (Canterwood Development) and Ms. Eva Hill (Still Water Planning Inc.).

A quorum of the Board was present. President Allen chaired the meeting.

The minutes from the February 21, 2013 were reviewed. Director Horndorp moved that they be approved; it was seconded by Director Williams, and unanimously approved.

Financial and Legal:

Director Horndorp reviewed the financial statements indicating that they appear to be in order. He indicated that Debbie Rench of Kallas is still failing to catch errors which he has pointed out to her in the past. Director Horndorp indicated that he was resigning from the STEP Board in May 2013 and that Director Caudill will have to continue to carefully review Kallas Community Management monthly financial statements particularly City monthly charges and assessment revenue.

Director Horndorp stated that the Reserve Account balance is \$68,767.31 and should continue to grow over the year. He reminded everyone that our policy has been to have \$80,000 in the reserve account, which should occur by the end of the year through transfers of interest earned from the operating account.

President Allen stated that he met with our attorney, Mr. Scott Alexander who indicated that he will have to take our largest debtor back to court to justify attorney costs to recover this debt. Mr. Alexander also indicated that he is continuing to pursue legal means for our other delinquent debtors.

Director Horndorp asked if we could address the administrative issues on the agenda before the operation issues. It was agreed.

Administrative:

Director Horndorp asked who will be the lead for our projects. President Allen stated that he was hesitant to assign projects to staff until a replacement for Director Horndorp was located and was installed. Director Weiss asked what was the maximum number of directors who could serve on the board. President Allen stated that the bylaws allow for up to seven directors. President Allen indicated that he would speak to Steve Muretta about maintaining and updating the website. He also said that he would speak

to Kallas regarding the addition of a statement to the billing notices reminding members to visit the website.

Director Weiss stated that he felt the board should be more proactive in contacting the membership regarding current issues. He suggested sending the minutes and pertinent information regarding the STEP Association via email. The other directors felt that gaining all of the 270 member emails would be very difficult. Director Weiss stated that he would speak to the Canterwood HOA about getting the email addresses and/or the possibility of sending this information via the HOA email.

Operations:

Ms. Eva Hill reported that initial findings from Jensen Engineering suggest that there is a strong possibility that the LOSS could become reality. Mr. Russell Tanner stated that he feels that it will be better for the STEP to remain separate from Division 12. He indicated that we should deal with the city by our self rather than complicating the issue by adding the homes in Division 12 to our concerns.

Mr. Tanner stated that the Mag meter seems to be working. The city came out to make a reading on April 23, 2013. He stated that he has been making daily readings. There was a brief discussion about hiring an individual to make the readings for us for a nominal fee. Director Weiss suggested that Mr. Tanner speak to Jeff Ellison who works for the Canterwood Golf Course about doing the work. Mr. Tanner said that he would contact him.

Ms. Hill said that she had spoken to Lisa Krasas from the city who told her that another HOA had a designated person who made the meter readings.

Director Weiss asked about fixing the bump in the Baker Way roadway and Mr. Tanner said he would contact the contractor.

A question was raised regarding how the Reserve development off of Baker Way was billed for sewage by the city, since they are hooked directly to the city sewer. Ms. Hill stated that the ten houses are treated as unmetered use which is \$64.06 per month times 1.5 for being outside the city limits for a total of \$96.09.

Ms. Hill stated that based on our usage, we may be able to get all of the 270 member homes on to the 14.5 acres under consideration for the LOSS. Director Weiss asked if there are other LOSS operations in the state. Ms. Hill stated that there are several others in operation and that the State Department of Health was actually in favor of developing more LOSS operations because they feel it is better for the environment. She went on to say that we would be setting a president with our LOSS application, because we would be the first entity disconnecting from an established sewage system.

The discussion shifted to how the city determined water usage to bill for sewage. Ms. Hill stated that the city has an ordinance that states that winter water usage readings will be used to calculate sewage charges in order to eliminate irrigation water use in the summer.

President Allen stated that we should get our winter water meter readings from Peninsula Light Company before we go to the city. Ms. Hill added that the city is obligated to follow its ordinance regarding its billing practices, but having the winter readings would be valuable information for the meeting.

Director Weiss raised a question regarding the authority of the STEP Board to require individual members to maintain their septic systems. He went on to say that if winter water intrusion was an issue that impacts on our billable volumes from the city, we should take some action to eliminate the intrusion. Ms. Hill stated that a workable plan might be to require one third of the members, over a three year period of time, to hire an approved septic contractor to inspect, repair, and certify each system with regard to its integrity against water intrusion. She continued to say that if there was a real difference between the winter water meter reading totals and the winter Mag Meter reading totals; this could be leverage in our conversation with the city if we agreed to eliminate our water intrusion within three years.

President Allen adjourned the meeting at 5:40 PM.