

## **Canterwood STEP Association Regular Board Minutes**

**April 25, 2013**

The meeting was called to order at 3:15 PM in the offices of Canterwood Commercial

Attendees were Directors Allen, Hondorp, 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. Co-Treasurer Hondorp moved that they be approved; it was seconded by Director Williams, and unanimously approved.

Financial and Legal:

Mr. Hondorp discussed the March financial statements, indicating that they appear to be in order. He indicated that Debbie Rench of Kalles still fails to catch errors from time to time and thus he must review the statements very closely. Mr. Hondorp indicated that he was relocating soon and would be resigning from the STEP Board in May. He noted that Co-Treasurer Caudill will have to continue to carefully review the monthly financial statements, particularly reserves, retained earnings flow and other accounts for accuracy. Mr. Hondorp said that he would work with Mr. Caudill to ensure a smooth transition in this area.

Mr. Hondorp stated that the Reserve Account balance is \$68,767.31 and it is properly stated at the end of March after recent transfers to and from the operating account for the 2013 capital budget of \$5000, Magmeter costs and major repairs. He reminded everyone that STEP policy is to have at least \$80,000, plus accrued interest since inception, in the reserve account by the end of each year. He said this will require a transfer from the operating account at year end if adequate funds are available.

President Allen stated that he met with collection 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. Allen also indicated that Mr. Alexander is continuing to pursue all legal means for collecting from other large delinquent debtors. It was noted that the STEP Board has made significant progress in collecting on delinquent accounts over the last year and a half with the assistance of Kalles and Scott Alexander.

In Russell Tanner's absence, Mr. Hondorp asked that administrative matters be handled before the operations issues. It was agreed.

#### Administrative:

Mr. Hondorp discussed the need to assign director responsibilities on specific projects and to assign project priorities because of past project delays. Mr. Allen stated that he was hesitant to assign projects to directors until a replacement for Hondorp was located and was installed. Director Weiss inquired about the maximum number of directors who could serve on the board. Mr. Allen stated that the bylaws allow for up to seven directors. Mr. Allen indicated that he would speak to Steve Muretta about maintaining and updating the website. He also said that he would also speak to Kalles regarding the addition of a statement to the billing notices reminding members to visit the website. Mr. Hondorp indicated that he would transition his other current non-financial duties such as agenda and minutes preparation to Secretary Weiss in the coming weeks. Mr. Tanner joined the meeting.

Mr. 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 e-mails would be very difficult. Mr. 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.

Mr. Hondorp asked whether the STEP should be partnering with the Division 12 STEP in matters of common concern such as City billing issues, LOSS development, etc. Directors had differing views and Mr. Tanner and consultant Eva Hill felt that it would not be helpful to add that STEP to the processes that are in the works at this time. No action was taken on this subject.

#### Operations:

Consultant Hill reported that initial findings from Jensen Engineering suggest that there is a strong possibility that the LOSS could become reality. The LOSS matter will be handled in further detail at the next meeting on May 16.

Mr. Tanner stated that the Magmeter metering equipment seems to be working properly and reliably. He said a city meter reader came out to make a reading on April 23, 2013. He stated that he had also been making daily readings. There was a brief discussion about hiring an individual to make regular readings for the STEP for a nominal fee. Mr. 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 on their behalf.

Mr. Weiss asked about fixing the bump in the Baker Way roadway and Mr. Tanner said he would contact the contractor to get it done soon.

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, the STEP may be able to get all of the 270 member homes on to the 14.5 acres under consideration for the LOSS. Mr. 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 precedent 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. Mr. Allen stated that we should get our winter water meter readings from Peninsula Light Company before we go to the city and Ms. Hill said that was doable. 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.

There was a brief discussion about the form of the letter and Mr. Weiss volunteered to edit the letter to make it less cumbersome and to the point.

Mr. 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 Magmeter 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.

The next meeting is scheduled for Thursday, May 16, 2013 at 4:00 PM.