

# STEP Board Meeting

## October 24, 2013

### Minutes

The meeting was called to order at 4:07 pm.

In attendance were Directors Mr. Allen, Mr. Caudill, Mr. Pruitt, Mr. Sadoian, Mr. Weiss, and Mr. Williams. Also present was Ms. Hill and three guests Mr. Andy Sturdivant, Mr. Dave Rink, and Mr. Jerry Hemley.

Before the meeting officially began, the board asked the three guests representing Drain Pro, FloHawks, and Hemley's septic systems to react to the proposed Inspection Protocol. There was a lengthy discussion with all three company representatives and the Directors exchanging views on what the board expected the inspectors to look for and how the three companies felt the inspections would play out. It was agreed that wherever possible, the company would attempt to carry out the inspections using one inspector. In this case the inspector would inspect the lids, lid gaskets, risers, riser/tank connection, entry and exit ports, and tank back flow valves using light and/or cameras when necessary. On some of the older tanks it was agreed that it might be necessary to use a second inspector to actually enter the tanks, in order to comply with federal and state regulations regarding confined spaces. It was also agreed that whenever possible they would attempt to carry out the inspections without pumping the tanks down, but if needed, the tanks would be pumped.

The Board made it very clear to the three representatives, that if they located a leak and recommended a repair, which the member refused to allow them to make, they should contact the board immediately so that a Director could speak to the member. The Board agreed to modify the Inspection Protocol and send it out to the three companies for final review. The meeting was very productive.

The official meeting began at 4:50 pm. Director Allen called the meeting to order.

There were no additions to the agenda.

Ms. Hill stated that if there was anything that we needed her to help with we should tell her, because she had to leave.

Mr. Allen stated that he had not spoken to the attorney this month, so he did not have anything to report regarding legal issues.

Mr. Allen reported that he had spoken to Debbie Rench who told him that they historically attended the annual meeting which had always been in December. She asked if they could meet with the Board this December. Mr. Allen stated that he would speak to the other board members. There was a brief discussion and the directors agreed to have them attend the December meeting.

Mr. Williams made a motion to accept the minutes of the September 26, 2013 and October 5, 2013 meetings. It was seconded by Mr. Weiss and the minutes were unanimously approved.

Mr. Allen stated that the annual meeting was very well attended and his feedback from the members has been very positive.

Mr. Caudill stated that the financials were in order however; there were some errors in the members who Debbie Rench was reporting as being in the arrears. Mr. Caudill stated that he would work with her to make the corrections. There

was a brief discussion about placing delinquent members names in a monthly newsletter, but Mr. Allen stated that Attorney Roberts had told him that we should not do it, because we might be sued.

We asked Ms. Hill to then report on the issues she was working on. She indicated that she has a conversation with Tom Rogers of NW Cascade to look at the vault and the Mag Meter. He indicated that he had installed the meter for Division 12 and they had no problems. He suggested that we install a similar meter. Ms. Hill stated that she told them that we were not going to spend another \$15,000.

She went on to say that she spoke to Darryl Winans about Nathan Stout. Even though it has been very hard to get Nathan on the job, Darryl stated that it would be in our best interests to wait for Nathan. There was a brief exchange regarding the accuracy of the readings on Division 12. Mr. Caudill stated that Steve Tyson met with Darryl Winans, Drain Pro, FloHawks and Orenco to look at their meter, so they must be having problems. Ms. Hill stated that she called Nathan and he indicated that he could be here in three weeks, but he was involved in a huge job that he had to complete. There was a brief discussion and it was agreed that we needed to build a positive relationship with Darryl; therefore we should wait for Nathan. Ms. Hill stated that she was going to call Darryl and ask him to call Nathan.

Ms. Hill then spoke about the LOSS. She stated that she called both companies to tell them that we were not going to do the Winter Water studies this winter. Ms. Hill stated that based on her discussions, it was recommended that we might be able to get away with a soil analysis rather than a Winter Water Analysis. She stated that we should run this by Nancy Darling at the State Department of Health before we even put it out for bid if we decide to move forward on the LOSS. There was a brief discussion about the costs to build the LOSS. Mr. Caudill stated that based on previous numbers it probably would come in at 3 million or more and that amount would be much too high to allow us to reduce member charges.

Mr. Weiss stated that he would like to use the water consumption volumes from Penn Light for the winter months to determine a winter water average from October through March. He went on to say that Lisa Krasas at the city agreed to bill the STEP using the winter water average from Penn Light as our consumption. This would significantly lower what we are presently paying, provided that we can placate Darryl Winans by actually reducing our ground water intrusion through our proposed inspection program. He asked Ms. Hill to take the winter water average from Penn Light, when it was calculated, as the volume that we would be sending to the LOSS to recalculate how large a LOSS we would need. He stated that it was his understanding that the LOSS infrastructure would be based on the volume of effluent that it had to handle, so if we could determine that we were producing a smaller volume of effluent, after the reduction of ground water intrusion, the state might say that we 1. Did not need as much land and 2. We might be able to build the LOSS for far less money.

M. Hill replied that if in fact we could get the effluent volumes down we could reduce the land requirements and building costs. She stated that we would have to really reduce the ground water intrusion. She went on to say that Pierce County was proposing to take away some of the Urban Growth Areas (UGA) near Purdy from Gig Harbor and give it to Fredrickson. The City of Gig Harbor could fight this, but they are not going to however, Rush owns that ground and they do not want to lose the UGA designation. If the City annexed Canterwood it would be the equivalent of taking 800 acres out of the UGA, which would benefit both Canterwood and the STEP.

Mr. Caudill stated that the new mayor is in favor of annexation and there may be a couple of new council members who might also lean that way. Ms. Hill stated that if Rush sued over the change in UGA, he would be suing Pierce County, because they would be the ones changing the designation. Mr. Caudill stated that in his conversations with Steve Tyson representing Division 12, Mr. Tyson indicated that they have been working with the county regarding the errors that have been made wide spread in Division 12 regarding the septic tank placements. Twenty of the new tanks were installed on regular soil instead of meeting code requiring a base of pea gravel. The average bill for correcting the

problems in Division 12 is \$3,000. Mr. Weiss asked if the HOA was doing anything to move annexation forward and both Ms. Hill and Mr. Caudill indicated that they were not.

Ms. Hill stated that she had to leave and Mr. Caudill asked her to send Mr. Weiss a statement of what her consultant fees would be for the next six months, so that we can get her paid by Debbie Rench. It was stated that these consultant fees should be for non-capitalized work.

Ms. Hill left the meeting and M. Sadoian also had to leave the meeting.

Mr. Allen stated that we had not discussed the 2014 budget. Mr. Caudill suggested that he contact Debbie Rench and have her build a 2014 budget with a 5% increase. Everyone was in agreement. He also stated that he learned from Mr. Tyson that there was not going to be an increase in rates by the city for 2014. Mr. Weiss stated that Lisa Krasas stated that the recalculation was April 2014, and that he should have the averages by then.

Mr. Allen stated that Debbie usually comes out to this office once a month and meets with him to sign the checks. He went on to say that there has been some discussion about having two signers on the checks. Susan Anderson suggested that if two Directors approved the checks by email one could sign off. Mr. Weiss suggested that he preferred to have two signers and it was agreed to try it and if it did not work we could still use the email.

There was a short discussion regarding maintenance of the website and it was agreed that Steve Muretta most probably would not be doing it in the future. It was agreed that we would have to find someone new. Mr. Allen stated that New Neighbors had a person in Gig harbor who was their web master and he would find out who it was.

Mr. Allen stated that he had submitted his resignation effective today to Susan Anderson and Mr. Williams indicated that he had already submitted Ann Hankins as well.

Mr. Williams stated that Anne Hankins had indicated that she was willing to help us in finding a grant to help support the LOSS or perhaps flow meter installations. Mr. Allen stated that the Department of Agriculture has many grants that we might be able to tailor to our needs.

A motion was made by Mr. Weiss to accept Mr. Allen's resignation and it was unanimously approved. Mr. Allen stated that he would be around if we needed his assistance. Everyone stated that we greatly appreciated his hard work as president. Mr. Pruitt is filling the vacated seat previously held by Ms. Hankins and Mr. Sadoian is filling the seat now vacated by Mr. Allen.

Mr. Weiss then moved to the next item on the agenda, Assignment of Director positions. Mr. Caudill stated that he really did not like to do the financial issues, but he agreed to stay on as treasurer. Mr. Weiss asked Mr. Pruitt what he preferred to do and everyone agreed that he should pick up the legal liaison responsibilities. Mr. Weiss stated that he would arrange a meeting with Mr. Alexander, Mr. Pruitt, and himself on a weekend when Mr. Pruitt was here on a Friday. Mr. Pruitt stated that he was happy to fill that responsibility.

Mr. Caudill suggested that Mr. Weiss take the position of president and everyone was in agreement. Mr. Sadoian was not present so Mr. Weiss suggested that he would be happy to continue to prepare the minutes unless Mr. Sadoian wanted to take over. It was agreed that Mr. Sadoian would be the secretary as the designated position on the board, even though Mr. Weiss may continue to prepare the minutes.

Mr. Williams stated that he would be in and out of town, but he was very willing to assist. He agreed to stay on as vice president. Mr. Weiss asked how long Mr. Williams will be able to remain on the board and he indicated that it all depended on how long his mother in law remains alive.

Mr. Allen asked if we needed to discuss putting aside some funds for Ms. Hill's consulting and Mr. Caudill stated that she needed to send in a request before we have that discussion. There was a short discussion about the \$270.00 assessment if we do not do the winter water study. Everyone agreed that we can put it into the reserve account in case we have a serious problem.

Mr. Pruitt stated that he would have preferred to start with the flow meters, but Mr. Caudill stated that he feels that the city has been giving us a "hall pass" and we needed to help get Darryl Winans on our side and working on the ground water intrusion is what he wants.

Mr. Weiss stated that he was concerned about what could happen if a member absolutely refused to cooperate. He stated that Mr. Pruitt would be a real asset in this matter. Mr. Caudill stated that the work that Mr. Tyson has been doing in Division 12 has been very well received by their members and he felt it would be the same for us.

Mr. Weiss stated that he was approached by Thelma Channon to include something on STEP in her monthly newsletter. He stated that he sent her a half page to include, that spoke about the inspections and some ways to eliminate wasted water in resident's homes.

The meeting was adjourned at 6:25pm.