

STEP Board Meeting January 23, 2014 Minutes

The meeting was called to order at 5:12 pm.

In attendance were Directors Mr. Caudill, Mr. Pruitt, Mr. Weiss, and Mr. Williams. Also present Ms. Hill. Absent was Mr. Sadoian and Mr. Tanner.

Mr. Weiss asked if there were any additions to the agenda, hearing none the agenda moved to adopt the minutes of the November 21, 2013 meeting. Mr. Williams made a motion to accept, it was seconded by Mr. Pruitt and unanimously approved.

The next item on the agenda was the financial review of the October, November, and December financial reports. Mr. Caudill stated that he carefully reviewed each month and that they were in order. Mr. Caudill made a motion to approve the reports it was seconded by Mr. Weiss and unanimously approved.

The meeting was delayed for 90 minutes in order to hear from six members regarding the board's decision to assess a \$270.00 special assessment. The pre-meeting discussion was somewhat confrontational in that the Board was challenged as to its right to levy the special assessment. When the meeting officially began, there was a discussion about how to convince these members and others that the Board is within its legal rights to levy the special assessment.

Another issue that was raised was the fact that we have not had an election in over a year and several members believe that we are not a legally constituted board. It was decided that we would speak to our counsel, Mr. Mark Roberts in order to obtain the necessary opinions to demonstrate to members that we are acting within our legal responsibilities.

The next item on the agenda was the Board's legal authority, which the Board had planned to discuss independently of the pre-meeting speakers. After spending 90 minutes listening to members state that the Board did not have the legal authority, the Board had a discussion about what we felt the by-laws and the CC&R's stated about our legal authority. Each of the directors and Ms. Hill felt that we were on solid ground, but we were going to have to get a legal opinion to satisfy some of the members.

The next item on the agenda was the decision on the adoption of the 2014 budget. Debbie Rench had prepared two draft budgets, one that followed 2013 and one that included a 3% increase. Mr. Caudill stated that the City was not going to raise our rates in 2014 and the Board would cover any capital expenses through the \$270 special assessment. Mr. Weiss raised the question about the need for a contingency line. Mr. Caudill stated he did not care for contingency lines. He went on to say that we will have sufficient money in the budget to cover all of our anticipated and unanticipated costs. He said that when you have a contingency line the Board can easily abdicate their responsibility to discuss issues within budgeted lines.

Ms. Hill stated that while we budgeted about \$5000 for the Mag Meter repair, it ran over budget by \$3000, which she felt would be an example of why we needed a contingency line. Mr. Caudill said that the maintenance and repair line needs to have sufficient funding and if it runs over, you should take it from the reserve. He went on to say that with the special assessment, we will have over \$120,000 in the reserve account which will cover any issues that come up. There was extended conversation about the two budgets.

Mr. Weiss asked for a motion to accept a budget, Mr. Williams made a motion to accept the budget without a 3% increase; it was seconded by Mr. Caudill and approved unanimously.

Mr. Pruitt asked if we could go back to the previous discussion regarding the annual meeting. He went on to say that he felt that we needed to amend the bylaws to have the annual meeting at a time determined by the board and that the election of the Board of Directors will be held at this meeting. He stated that we should comb through the bylaws that need to be modified. Everyone agreed that we needed to clean up those procedures through the bylaws that made things difficult to operate. There was a brief discussion about what we would need to amend the bylaws. Mr. Weiss said that he would put this item on the agenda for next month.

The next item on the agenda was a report from Ms. Hill on the operation of the Mag Meter. She stated that anyone can go to the meter to make a reading, just record it on the pad of paper. She prepared a spread sheet that reflected the amount of effluent that was moving through the meter. She stated that we are averaging 60 CCF per day which should put us about 3600 CCF for the two month billing period.

We have been charged for about 4600 CCF based upon a previous winter average, this should put us \$5,000-6,000 less per month, if things remain the same. This is predicated on the meter being correct and the acceptance of the readings by the city.

There was a discussion regarding the use of water meter readings from Penn Light as a means of using those volumes as a basis for the billing. Mr. Weiss stated that Lisa Krasas stated that they would be willing to use the water meter readings from Penn Light. However, Lisa is not in a decision making position, so while this sounds like a way to reduce costs, the powers that be may not approve. Mr. Weiss stated that the STEP Board could use the numbers to restructure the way that we bill members for sewage. We could set a volume as a base and then look at increments of water consumption above the base to increase the charge. In this way, high producers of sewage would pay more than those who only consume the basic amount of water.

The next item on the agenda was the number of inspections/repair to date. There were 56 completed inspections/repairs, but 24 of the 56 belonged to the Club Homes. So only 32 members have complied to date. It was agreed that the Board needed to send out another reminder letter to encourage the members to get the work done.

The final agenda under operations was the security of the vault and Mag Meter. Mr. Weiss recommended that the Board hire a fence company to build a secure fence around the entire area. There was a brief discussion and it was agreed that we should get some bids to have the area fenced to protect our equipment.

There was a brief discussion regarding a meeting with the City. Mr. Caudill asked what was the purpose of the meeting. Mr. Weiss stated that we should go there with an open agenda where we can discuss the steps that we have taken to comply with the concerns of the waste water plant manager regarding ground water intrusion. Additionally, we need to highlight our work with the Mag Meter to provide accurate measures of what we are sending to the City. Mr. Caudill stated that he believed that the most important issues were trying to get the City to bill us based upon water consumption. Ms. Hill stated that it would be nice to discuss the BioMagic use. Mr. Weiss stated that he was having back surgery at the start of February and he would not know his availability. Mr. Caudill stated that Steve Tyson made an effort to involve Darryll Winans and that really was the important contact. He went on to say that the fact that we have consulted Darrell and used his installer should be putting us in a better position with the City. The item was tabled until we have more data regarding our volumes per the Mag Meter and revisit the issue in April.

The next item that was discussed was the term dates for each of the Directors. Ms. Hill volunteered to research who became a director and on what date did this occur. This information will be used when the date of the annual meeting is set, to conduct an election. Mr. Weiss asked if the Board has the authority to move the Annual meeting date and it was agreed that we could hold a meeting at any time but to officially change the Annual meeting date we would need a bylaw change. Mr. Caudill suggested that it might be beneficial for all five of the Directors to stand for election which would ratify the terms in the eyes of the members and eliminate any additional questions about being legally appointed.

Mr. Weiss asked if the Board was in favor of turning over the website to Bobby Holstein. There was a brief discussion and it was agreed that Steve Muretta would not be able to carry on, so we need a new website manager. Mr. Weiss said he would call Bobby.

There was a brief discussion regarding expanding the Board to seven members. Mr. Caudill stated that he did not believe we will be able to fine any individuals willing to step up to the plate. Mr. Weiss stated that he would rather have an antagonist sitting across from him than creating problems with the members.

The next item dealt with opening the Board meeting to the member. It was generally believed that we would have a similar situation to the hour we spent listening to members complain about issues that they really did not understand. It was agreed that by taking phone calls, sending out letters and holding information meetings, that we are doing enough.

The meeting was adjourned at 7:13PM.