

STEP Board Meeting
March 27, 2013
Minutes

The meeting was called to order at 4:00 pm.

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

There were no minutes from the January meeting. Mr. Williams stated that Susan Anderson was trying to complete them.

There were no guests present for this meeting.

Mr. Weiss asked if Mr. Caudill approved the March financials. The Directors agreed that Mr. Caudill had responded through email that the March financials were in order. Mr. Weiss asked for a motion to approve the March financials. Mr. Williams made a motion to accept, seconded by Mr. Sadoian and it was unanimously approved.

A discussion then occurred regarding the letters from attorney Mark Roberts. There was a brief discussion regarding the issue of ground water causing the pH to go down, but it was agreed that this comment was in error. It was agreed that the ground water diluted the Biomagic which is a problem and it certainly increased our total volumes, but it did not make the pH go down.

The discussion then shifted to the issue of one time fines for repairs. Mr. Weiss asked what strategy we are going to use. Mark Robert's letter stated that the Directors do have the power to levy fines. Mr. Sadoian stated that his understanding of the letter was that as long as it is a onetime repair the Board has the power to make the repairs and levy a fine. He went on to state that after reading the letters, he felt that the Board should give the noncompliant members an either or ultimatum.

Mr. Sadoian stated that if we are able to reduce the monthly charges, those who do not comply should not share in the cost savings. Mr. Pruitt stated that his interpretation of the letter is that if we had to go into a member's yard, it would be a onetime repair and we should have the legal right to charge the member for the work. There was a brief discussion about which attorney we would use if we have to litigate, Mr. Alexander or Mr. Roberts and it was agreed that it would be determined by which attorney was a litigator.

Mr. Weiss stated that he had a question about voting. Specifically cancelling the meeting. Mr. Pruitt stated that you can legally adjourn the meeting and then immediately open the meeting again because the quorum number is reduced by half.

Mr. Weiss stated that the annual meeting which we have to set a date for would also be an election for Board Directors. Mr. Pruitt stated that the issue of three year terms could be resolved by stating that we have some Directors who have been properly appointed and as such are serving a three year term. Therefore we would only have to have an election for the Directors who were elected and their terms are expiring.

There was a brief discussion regarding the language of how to state when the annual meeting will occur. Mr. Pruitt suggested that the bylaw should simply state "Annual meetings of the Members shall be held each year at a date and time fixed by the Directors." In that way, the Board has the freedom to make adjustments as necessary.

Mr. Williams read a draft response to Keith Terrano's charges that the Board was not a legally constituted entity. It was agreed that the letter should be brief and to the point.

The next agenda item was the Mag meter readings. Mr. Weiss stated that he was reading the meter on a regular basis before he went into the hospital and Ms. Hill continued to read the meter. Ms. Hill's data indicated that the daily volume has decreased even though we have had record amounts of rain in the month of March, which indicates that the 91 inspect/repairs have reduced our effluent flows. Mr. Weiss also stated that he was working with Penn Light to get a report that will show the amount of water consumed by each member which could be used to 1. Determine the total in-flow during the winter and 2. Provide a mechanism to create a stepped billing system based on a unit of water consumed. This would level the field regarding those members who use very little water and therefore send smaller amounts into the STEP system and those who use a lot of water and send larger volumes into the system. He went on to say that he would speak to Penn Light the following week to see where the report was.

There was a short discussion regarding the 91 members who have complied with the inspect/repair initiative and what we should do with the other 2/3's of the members who have not. Mr. Weiss stated that we should send out a letter to help motivate those who still have to comply. Mr. Pruitt stated that some of these members may still be south and would not get the work done until they return to Canterwood. He stated that he would draft the letter and get it out in April. There was a discussion that we may have to offer an extension into June in order to give the chance to get it done. Mr. Sadoian stated that the letter should not offer an extension for now. We may have to give in and offer an extension at a later date, but for now we should hold tight.

The next item on the agenda was terms of office. Mr. Williams stated that he and Mr. Caudill were elected in November of 2012. Mr. Pruitt again reminded everyone that some of the Directors were in appointed terms and that they would continue to serve a three year term, while others whose terms have run for two years will have to stand for election.

There was a brief discussion about which by-laws needed to be amended. Mr. Weiss suggested that every bylaw that needed to be changed should be included. Mr. Pruitt stated that he would review the bylaws and prepare a document that address all that needed to be updating.

Mr. Weiss asked if Russ Tanner had said anything about Viking fence. Mr. Williams said he would follow up with Russ to see what is happening.

The next agenda item involved setting a date to meet with the City of Gig Harbor. It was agreed that we would speak to Ms. Hill before taking any action with the city. Mr. Weiss stated that he had a conversation with Lisa Krasas several months ago regarding a change in the billing process using water consumption however, he indicated that she may have been speaking out of school because she is not in a decision making role.

The next item was opening the meetings for members to observe. Mr. Williams stated that while this is a nice goal he recognized that it is difficult. Mr. Weiss asked Mr. Williams how many times did someone come to a meeting. He replied that only one individual attended. Mr. Sadoian suggested that we let the members know that the first 15 minutes are open to anyone who would like to be heard, but that the rest of the meeting was not because of the sensitive nature of the issues. Mr. Weiss related a comment made by Mr. Terrano that we were not keeping the members abreast of the issues and that he did not care if the board spent dollars to do so. Mr. Sadoian asked if the website could become the vehicle to communicate with the members similar to the HOA. There was a short discussion about the website and Mr. Weiss stated that he has not had an opportunity to speak to Bobby Holstein, but he would make an effort to do so.

The conversation then moved to members who are in the arrears and what we could do to improve the process to recoup back fees. Mark Roberts' letter was cited as a suggested process. Mr. Pruitt stated that he felt that we were spending a lot of money to chase down people who are in the arrears. He stated that placing liens on a property will get some results, but there are people who game the system and will not pay at all. He also stated that we should be having someone making phone calls to these people.

The final item was posting "as built's" to the website. Mr. Williams stated that he would speak to Russ Tanner about how to proceed. Mr. Sadoian asked for what purpose are we concerned about this? Mr. Williams stated that in some cases having the as built's helped members to find their tanks. If the county had some of these documents there may be a fee for us to gain possession of copies.

The meeting was adjourned at 5:23pm.