

**STEP Board Meeting**  
**April 24, 2014**  
**Minutes**

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

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

Mr. Weiss asked if we could have a motion to approve the January 2014 minutes. Several errors were pointed out, which Mr. Weiss stated he would change. With these issues discussed, Mr. Caudill made a motion to approve the minutes, Mr. Sadoian seconded the motion and they were unanimously approved.

The next item on the agenda was a discussion with Mr. Scott Alexander, our legal counsel, regarding ongoing collections and liens on property for past due amounts. The Board adjourned the meeting at 4:20 pm to go into executive session. The discussion concluded with an agreement that we would speak to Debbie Rench about posting the interest and that we would develop an accelerated time schedule for collecting these debts and pass it on to Mr. Alexander. The executive session was adjourned at 5:25 pm.

The Board meeting was reconvened. The next item on the agenda was the approval of the March 2014 minutes. Mr. Williams made a motion to approve the minutes, it was seconded by Mr. Pruitt and they were unanimously approved.

The next item on the agenda was the April financials. Mr. Caudill stated that they were in order, but he was going to spend some time with Debbie Rench next week to go over the method that is being used and to address the issues that we discussed today. Mr. Weiss asked if we should consider looking for a new management company. Mr. Caudill remarked that the HOA was having issues with Bell Anderson which is located in Phoenix AZ. At least Kallas is local so we can always run over there if we have a problem. Mr. Williams stated that when the Board looked around for another firm, they were all more expensive than Kallas.

Mr. Weiss stated that we had already spent time discussing the legal issues so we could move onto the next agenda item. He continued stating that he had shared a letter from Denny Richards at the City regarding using the actual meter readings to determine the billing. Mr. Weiss stated that regardless of the reason, the readings are averaging about 60 CCF per day. Ms. Hill stated that she had a conversation with the City regarding an over charge of about \$10,000 for the time period from January 1, 2014. The City stated that they would like to have the meter read out in CCF's rather than CF's. She indicated that she called Nathan Stout about the issue and asked if he would reset the meter, but cautioned him about the issue of the process causing the meter to reset completely to zero. Nathan stated that he would find out how to make the change.

Ms. Hill stated that if it does trigger a total reset, both Darrell Winans and Nathan Stout were on the same page that they would record the readings before attempting to make the reset.

Mr. Caudill raised the issue which Mr. Pruitt had brought up last year about billing based on the actual water consumption.

Mr. Weiss stated that at present, 129 members or 47% have complied with the inspection/repair mandate. He felt this was too small a percentage of the total membership. He went on to say that when we run out of time, we will have to use Mark Roberts to get a court order to force them to comply. The Board reviewed a draft of a letter that provides non-compliant members with notice of a onetime extension to June 1, 2014 and mandatory notification to the STEP Association by May 15, 2014 that they have scheduled the inspection.

Mr. Weiss stated that Viking Fence was scheduled to return tomorrow to finish the job. He stated that he spoke to Russ Tanner about removing the dog house and the chlorinator since it was no longer needed. He stated that Russ Tanner felt that we no longer needed the structure and the equipment. Mr. Weiss said that he would speak to the fence installers about moving the items out to the street.

The next item on the agenda was a review of the documents regarding the inspect/repair mandate and the documents associated with the annual meeting on June 10, 2014 and the election. There was a general review of the ballot and the proposed by-law language. Each by-law change was carefully discussed to ensure that the language accurately reflected the wishes of the Board. There was a general discussion about edits on the associated documents, which needed to be sent out to the members. Mr. Weiss stated that he would correct all of the edits and send all of the documents out to everyone for final review.

Mr. Weiss discussed the notification he had received that the insurance company would no longer be responsible for damages caused by terrorist action. He also indicated that the policy was due for renewal and he checked with his neighbor who is an insurance agent to see if we could get equal coverage for a lower premium. He went on to say that he was not able to beat the price for the renewal, so he told Debbie Rench to proceed with a renewal.

Mr. Caudill raised a concern regarding director's personal liability. He asked if we could have Gary Methner read the policy to be sure that the Directors were fully covered.

The meeting was adjourned at 6:28 PM.