

**STEP Board Meeting**  
**June 26, 2014**  
**Minutes**

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

In attendance were Chuck Pruitt, Alan Weiss, and Mike Williams. Absent were Director Ed Caudill and Ken Sadoian. Consultant Eva Hill, and Advisor Russ tanner.

The meeting was called to order at 4:08 pm.

The minutes were approved for both April and May.

The next item on the agenda was the review and approval of the May Financial Statement. Mr. Weiss stated that he received an email from Mr. Caudill stating that he had reviewed the May financials and they were in order. Mr. Weiss made a motion to accept the May financials and it was approved.

Mr. Weiss asked that the Board go back to the May minutes and look at the paragraph related to the accelerated process for debt collection. Mr. Weiss raised the issues of the 150 days before any final review by the board would occur in order to make a recommendation to take further legal action against a member in the arrears. He went on to state that he felt that it should be reduced to 120 days. There was a brief discussion and it was agreed that 120 days was sufficient time for a member in the arrears to become current. Mr. Weiss stated that he would change the May minutes to reflect 120 days and then send the new process to Debbie Rench and Scott Alexander.

The next item on the agenda was the number of non-compliant members still outstanding. Mr. Weiss stated that there are 32 outstanding out of this group and there were 24 in this group who have made no contact at all, There was a brief discussion about the final date on the final letter to the non-compliant members and it was agreed that the Board would give these members until July 22, 2014 to comply. Mr. Pruitt stated that he liked the original letter that was drafted, because it was a serious attempt to lay out the final steps that the Board was going to take. He stated that the members needed to know what was going to happen, so that they were fully aware of the consequences for not acting. Mr. Weiss stated that he would go back to the original draft of the letter, make any edits necessary and send it out to the directors for final approval.

Mr. Weiss stated that the legal fees to deal with the member who would not accept the authority of the Board cost \$5,000.00. Mr. Pruitt stated that the Board needs to be very careful not to get suckered into a legal confrontation.

Mr. Weiss stated that as a follow up to his email about a discussion with the retiring chief of police, Mike Davis. In a discussion with Chief Davis about possible annexation by the City of Gig Harbor, Chief Davis stated that the previous mayor was very much

afraid of annexing Canterwood because the mayor and the council members do not have single member voting districts, they run at large. The mayor was concerned that Canterwood could run one or two candidate for the council and the potential 1400 votes in Canterwood could carry the election.

He was also concerned about the Canterwood STEP System, because the city would be responsible for the system after annexation. There was a discussion among the council members and the mayor with prompting from either Darryl Winans or the Director of Public Works that our volumes were too high, and the effluent was too caustic. There was a statement made that the most likely would require the STEP System to go to macerator pumps rather than septic tanks.

Mr. Weiss stated that he had asked Jeremy at Drain Pro to give him a cost estimate to convert the septic systems to macerator pumps. He stated that the estimate was between \$5,000 and \$8,000. Mr. Williams said that Eva was party to a conversation at the city that indeed they were afraid of a possible take-over by Canterwood candidates. Mr. Pruitt asked if the homeowners understood the nature of this conversion and would it increase home values. Mr. Weiss responded that he felt that they barely understand how the STEP System operates so it is unlikely that they would comprehend the impact of a macerator pump mandate. He went on to say that the community of McCormick Woods had a STEP System and the City of Port Orchard went in and decommissioned all of the septic tanks and installed macerator pumps at the expense to the city.

Mr. Pruitt felt that the city was overly concerned about the unity of the voters in Canterwood. He stated that there is a broad diversity of thought within the community and the voters would not necessarily support a Canterwood candidate.

There was a brief conversation about the LOSS and that could significantly affect how the city views Canterwood. Mr. Williams stated that this would certainly be more acceptable than the present arrangement. Mr. Weiss stated that at present, it does not appear that the cost to build a LOSS would allow for a reduction in member dues because of the high cost of building the LOSS. Mr. Weiss stated that if the present numbers hold, with regard to the City of Gig Harbor bill, it would be very feasible to lower the bi-monthly rates in September 2014. There was a brief discussion about rebating some of the previous charges to the members, but it was agreed that we should hold onto these funds in the reserve account. Everyone was in agreement.

The next item of discussion was the Website. Mr. Weiss stated that Mr. Muretta did a really nice job of updating the site with all of the documents we had sent them. Mr. Weiss suggested that everyone should check out the new format.

Mr. Weiss retrieved the list of non-compliant members and the Directors reviewed who the hold outs were. There seemed to be clusters of members throughout the community that had not complied. This would suggest that the members were speaking to each other. The members who were in the arrears had not complied and they probably will not comply.

There was a brief discussion about making an example of certain members by seeking a mandatory injunction requiring them to comply. By doing this, it will send a clear message to the hold-outs that we are very serious about getting this work completed. Mr. Pruitt stated that after we send this final letter giving them until July 22nd to get the work done, we should send out one more letter asking them very simply "Are you going to allow us to come onto your property to do the work". If they respond that they will not allow us to come in to do the work or if they do not respond, we can assume that they are not going to comply and then we should seek the injunction. In fact, we will have to file a suit which they will have to defend against at their expense.

A motion was made by Mr. Williams to adjourn, it was seconded by Mr. Pruitt and unanimously approved. The meeting ended at 5:01pm.