

CANTERWOOD STEP SYSTEM ASSOCIATION

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS HELD ON:
January 15, 2015 At the principal office of the Association BOARD MEMBERS IN
ATTENDANCE: [x] Ed Caudill [x] Charles Pruitt [x] Ken Sadoian [x] Alan Weiss [x]
Michael Williams ALSO PRESENT: [x] Eva Hill (Consultant)

Meeting called to order at 4 p.m. by Chairman Alan Weiss.

The minutes of the meeting held on October 23, 2014 were approved.

It was acknowledged that the Fine Schedule and Appeal Policy approved by the Board at the October 23, 2014 meeting to be effective as of November 1, 2014 was signed by all of the Directors and was posted on the Association's website.

Director Ed Caudill led a discussion of the Association's financial reports for the periods ending 10/31/2014, 11/30/2014 and 12/31/2014. The reports were found to be in order. Mr. Caudill then led an additional discussion concerning the proposed 2015 budget for the Association. The Board adopted the budget reflected on the attached sheet.

Chairman Alan Weiss then reported that eleven Association members had not complied with the Board's directive to inspect their systems and, if necessary, repair the portions of the STEP system located on their property that are allowing ground water to enter the system. After discussion, the Board determined, in accordance with paragraph 4 of the Fine Schedule and Appeal Policy, that it appears that the following Noncomplying Members have failed to fully comply with the Board's directive:

1. Beck / 4505 126th St. Ct. NW / Account 13541
2. Coates / 4706 N Foxglove Drive / Account 13851
3. Hershman / 5412 Old Stump Dr NW / Account 13302
4. Kim / 4402 N Foxglove Dr NW /Account 13329
5. O'Neill / 12701 Tanager Dr / Account 13306
6. O'Neill / 12404 Osprey Dr / Account 13833
7. Schmiedel / 4921 Saddle Back Dr NW / Account 13747
8. Seher / 11702 Hunter Lane NW / Account 14280
9. Strieby / 4317 Foxglove Dr NW / Account 13837
10. Wahlers / 5110 Bridlepath Dr NW / Account 13714
11. Yearian / 11902 Sorrell Run NW / Account 13496

The Board authorized Chairman Weiss to instruct the Association's lawyers to provide the foregoing Noncomplying Members with written notice of the apparent Violation in

accordance with the Fine Schedule and Appeal Policy. Should any of the Noncomplying Members not provide a satisfactory response to the notice, they will be subject to a fine of \$500. In addition, the Board authorized Chairman Weiss to instruct the Association's lawyers to commence legal proceedings to compel compliance by the Noncomplying Members with the Board's directive and authorized the expenditure of Association funds for such proceedings and to inspect and repair the system of any Noncomplying Member and to place a lien on the subject property for all legal costs and other expenses necessarily incurred to complete the inspection and repair of the system.

Chairman Weiss reported on meetings he has had with interested persons concerning the possible annexation of Canterwood by the City of Gig Harbor.

There was discussion about the possible consequences of annexation to the STEP system, but the consensus of opinion is that we do not know anything.

Consultant Eva Hill reported that an 18-home development is being planned for a 5-acre parcel of property located near the exit on Baker Way. The new development, sometimes called "Division 14," will need to connect its sewer line either to the City of Gig Harbor's sewer system or to the STEP system.

Ms. Hill was asked to bring a firm proposal to the Board at an upcoming meeting so that the Board may either deny the connection to the STEP system or impose reasonable terms for such a connection.

Finally, Ms. Hill reported that the Board should consider whether to continue using a propriety brand of chemical treatment or to use chlorine to prevent gas and odors in the effluent pumped to the City of Gig Harbor's treatment facility. The issue was tabled until a future meeting. The issue was tabled until a future meeting. The next meeting will be held on Thursday, April 16, 2015.

The meeting was adjourned at 6:00pm.