

CANTERWOOD STEP SYSTEM ASSOCIATION

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS held on July 16, 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

The meeting was called to order at 4 p.m. by Mr. Weiss.

The minutes of the meeting held on April 16, 2015 were approved.

Mr. Caudill reported that the Association's financial reports for April, May and June 2015 are in order and he reiterated that the Association's reserve account is larger than necessary. At its last meeting, the Board resolved to reduce the size of the reserve account by granting the members a holiday from an upcoming bi-monthly charge. To carry out that resolution, members will be sent a notice that there will be a payment holiday for the months of July and August 2015.

Mr. Weiss reported that all homes in the Step System are now in compliance with the Board's directive that members inspect and repair their systems.

Mr. Weiss reported that the City of Gig Harbor is likely to increase its sewer rates. One-third of the rate paid by the Association to the City consists of a surcharge levied on users located outside of the City limits. In that context, Mr. Weiss discussed the possible annexation of Canterwood by the City of Gig Harbor.

Russell Tanner then entered the meeting and recommended that the Board retain at least \$5,000 to cover maintenance expenses. He also recommended that the Board contract with Drain Pro to test the functionality of the System's numerous shut-off valves that are located in the streets of Canterwood. Based on that recommendation, Mr. Weiss undertook to contact Drain Pro for that purpose.

The Board requested that Mr. Weiss contact one or more general insurance agencies to discuss with the Board the types and costs of insurance coverage that the Board could or should purchase. The Board members expressed a willingness to hold a special meeting for that purpose.

The Board determined that there was no practical reason to incur the expense of holding an annual meeting this calendar year. In lieu of such a meeting, the Board will send the members a comprehensive status report. Mr. Weiss undertook to draft such a report.

The meeting was then adjourned.